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SURVEY OF
INTERNATIONAL AFFAIRS
1920–1923

SURVEY OF INTERNATIONAL AFFAIRS

1920–1923

BY

ARNOLD J. TOYNBEE

Haud igitur leti praeclusa est ianua caelo
Nec soli terraeque neque altis aequoris undis,
Sed patet immane et vasto respectat hiatu.
Lucretius V, 373–5.

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PREFACE

Ever since its foundation during the Peace Conference at Paris, the British Institute of International Affairs has had in view the publication of an annual survey of the chief events in international relations. It was, however, determined that a History of the Peace Conference should first be produced. The sixth and final volume of the *History of the Peace Conference of Paris* appeared in March 1924, and the Executive Committee of the Institute then decided to make preparations for issuing the first volume of the annual survey, for the year 1924, and at the same time for connecting this volume with the *History of the Peace Conference of Paris* by a separate survey designed to cover the intervening years.

The Committee was fortunate in securing the services of Mr. Arnold J. Toynbee to carry out the very arduous and difficult task of writing this introductory volume—the *Survey of International Affairs, 1920–3*—and to bring out the first volumes of the annual survey. The first of the series—the *Survey of International Affairs for 1924*—will be published during the autumn.

The volume entitled *The World after the Peace Conference*, which is appearing simultaneously with the present volume, was originally written as an introduction to this volume, but owing to limitations of space it was found necessary to publish it separately.

A word may be added as to the objects which the Institute has in view in issuing the *History of the Peace Conference*, the present volume, and those of the annual survey which will follow it for the year 1924 and onwards. Speeches and articles are the main factors in moulding public opinion on foreign affairs. They are usually prepared at short notice by political leaders and publicists, who thus discharge, under heavy

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pressure, a function of vital importance. Without such aids as the Institute is now trying to give them they are left to collect or verify their facts by reference to the files of newspapers. Their greatest need is not to discover the secrets of diplomacy, most of which have to be revealed in due course, but rather to obtain access to and keep track of the information which is published in overwhelming quantity. The primary object of these publications is to enable speakers and writers to gather in the time available for their task the factual material, carefully checked, upon which to base the advice which they offer to the public.

The Institute will be greatly assisted in the task it has undertaken if those who make use of the volumes already published will suggest any improvements by which their needs can be better met in the volumes to be issued in future years.

The Institute includes representatives of every school of thought and is therefore precluded under its constitution from expressing an opinion on any aspect of international affairs. These volumes are confined to facts. But facts cannot be stated within manageable space except by means of a careful selection, which may of course be influenced by the personal views of those by whom the selection is made. In issuing these volumes the responsibility of the Institute is therefore limited to the appointment of the writer and the provision of the necessary funds. The final responsibility for what they include or omit is assumed by the writer. In this respect the position of the Institute is analogous to that of the publishers.

The Committee take this opportunity of acknowledging the invaluable assistance rendered by the officers of the Oxford University Press in issuing these volumes to the public.

G. M. GATHORNE-HARDY

Honorary Secretary,
British Institute of International Affairs

NOTE BY THE WRITER

THIS book is a survey of international affairs, not of the foreign affairs of the British Commonwealth nor, again, of human affairs in general during the four years 1920 to 1923.

The object aimed at, as far as space and time have allowed, has been a comprehensive survey of relations between states, and this has determined the arrangement. Not states but relations between states have been chosen as the units, except in the few cases (e. g. Belgium and China) in which the status or internal condition of a country was itself an international affair.

For this reason the reader will find no special part entitled the 'British Commonwealth'; for, while the relations of the several members of the Commonwealth with one another were not international affairs and so do not come within the scope of this work, the relations of different members, or of the Commonwealth as a whole, with other parties covered so wide a field that, although they were not coextensive with international affairs in general, it would be impossible to abstract them from their context and assemble them in one place without rendering the rest of the book unintelligible.

The book is intended to carry on the record begun in the *History of the Peace Conference of Paris*. One technical difficulty, however, has arisen from the fact that the peace settlement was not simultaneous in every region. In Western Europe it had been practically completed by the beginning of 1920 and in Eastern Europe before the end of that year, but in the Middle East it was delayed until the latter half of 1923, and in consequence the *History of the Peace Conference of Paris*, which in one region stops short at the 10th January, 1920, is carried down to the 23rd August, 1923, in another. This has created a problem for which a satisfactory solution has not been easy to find. One conceivable course would have been to take the 10th January, 1920, as the starting-point of the narrative in every part of the present survey, but this would have been doubly wasteful. It would have meant reduplicating work which had been done better elsewhere and at the same time reducing by that much the space allotted for the new work, when the space was very narrow as it was. In this volume, therefore, all events which have been dealt with in more than an incidental way in the *History of the Peace Conference of Paris* have been passed over, however great their importance for the general history of the period

under review, and strictly the volume should be entitled a 'Survey of International Affairs in 1920–3 so far as they have not been surveyed in the *History of the Peace Conference of Paris*'. For the reader's convenience the references to the '*H. P. C.*' have been made as full as possible, and these will indicate very clearly the debt which the present writer owes to the first work published under the auspices of the British Institute of International Affairs.

His other debt is to the Institute itself. From the outset he has had the constant assistance and collaboration of the members and the staff, and has been able to draw upon the fine collection of official documents and carefully classified press-cuttings in the library. If this great fund of information had not been at his disposal it would have been impossible to undertake the work, but for this very reason it is equally impossible to make individual acknowledgements. The bare list of names would fill many pages, and the members and staff will be the first to understand that the omission to mention their names implies no lack of gratitude on the writer's part and no failure to appreciate the extent of the assistance which he has received from them. While the writer bears the responsibility for the statements made in the book and the light in which they are presented, he could not have attempted the survey without those resources with which the Institute, as a body, has provided him.

He has also acknowledgements to make non-members. For instance, M. Zourab Avaloff (author of *The Independence of Georgia in International Politics, 1918–21*) has furnished numerous additions and corrections to the section dealing with the Transcaucasian Republics.

The Royal Geographical Society has kindly helped to obtain the material for maps; and the draughtsman, Mr. J. W. Addison, has put this material together with the skill and patience that only come with long experience.

An exhaustive bibliography would probably fill several volumes of this size, and even a classified list of the official documents cited in the text would have occupied more space than it was possible to spare. A select list has therefore been given of collections of documents and important books, as well as a description of various periodicals and serial publications to which reference has been constantly made.[1]

[1] Any student of international affairs during this period must admire the enterprise shown by *L'Europe Nouvelle* in obtaining and publishing official texts. It is a good rule to turn to *L'Europe Nouvelle* whenever Blue Books, White Books, and Yellow Books fail, for in nine cases out of ten you will find

In the present volume the texts of a few documents are printed *in extenso* in the Appendix, but it must not be assumed that no texts of equal or even greater importance have been omitted. The documents printed have been chosen as specimens of the published material at the historian's disposal, and that is all. In the forthcoming *Survey of International Affairs for 1924* it will be possible to print a more or less comprehensive collection of *pièces justificatives* for that year.

In the *Survey for 1924* the history of two subjects—the Security and Disarmament Question and the Problem of Emigration and Immigration—for which no space has been found in this volume, will be given for the six years ending on the 31st December, 1924. Otherwise the volume will deal, as its title indicates, with the events of a single year, except in the section on the Reparation Problem, in which the entry of the French and Belgian troops into the Ruhr on the 11th January, 1923, has been found a more convenient point for making a break than the appointment of the two Committees of Experts towards the close of the year. In the *Survey for 1925* three other subjects—the international relations of the American Continent (as far as these do not fall under the head of Immigration), the affairs of the Islamic World, and the activities of international organizations in the social and economic spheres—will be brought up to date in a similar way. Thereafter it is hoped to survey the affairs of each year in an annual volume without arrears.

The first two volumes are necessarily of an experimental nature, in regard both to the arrangement of the contents and to the relative length at which the different subjects are treated. In a survey of this kind, arrangement and proportion are of capital importance, and the writer therefore looks forward to receiving criticism on these heads, as well as on matters of fact, which will assist him in the preparation of the volumes that are to follow.

A. J. T.

there the text of documents of which you are in search. As for official publications, it would be superfluous to praise British parliamentary papers or League of Nations documents; but it may perhaps be permitted to mention the illuminating report on the Washington Conference by Sir Robert Borden, the Canadian delegate, and also the numerous and most efficiently compiled White Books of the Czechoslovak Government, without which the history of the Danube Basin and the Balkan Peninsula during these four years could hardly have been written. In presenting the *dossier* of a controversial question, the Czechoslovak Government often commends itself to the historian by the admirable practice of printing documents on the other side as well as those on its own.

'The coincidence by which all the transactions of the world have been oriented in a single direction and guided towards a single goal is the extraordinary characteristic of the present age. . . . The unity of events imposes upon the historian a similar unity of composition in depicting for his readers the operation of the laws of Fortune upon the grand scale, and this has been my own principal inducement and stimulus in the work which I have undertaken. The study of general contacts and relations and of general resemblances and differences is the only avenue to a general perspective, without which neither profit nor pleasure can be extracted from historical research.'—Polybius, Book I, Chapter 4.

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PART I

ORGANS OF INTERNATIONAL AUTHORITY AND THEIR PROCEEDINGS, 1920–3

(i) The Execution of the Treaties.

A CHARACTERISTIC feature of the period immediately following the ratification of the Treaty of Versailles was the coexistence of several organs of international authority with powers derived from different sources and with functions theoretically separate but more and more overlapping in practice as time went on.

In the first place the four Treaties between the Allies of the one part and Germany, Austria, Hungary, and Bulgaria of the other had provided for the establishment of a number of inter-Allied bodies to perform temporary or permanent executive duties. As soon as the Treaty with Germany had been signed a list was drawn up of the Commissions which had to be appointed under its terms. They included five Delimitation Commissions, four Plebiscite Commissions, Commissions for the navigation of the Rhine, Danube, Elbe, and Oder, Commissions for such matters as the repatriation of prisoners of war and the distribution of railway material, and Commissions for the government of Danzig and for the provisional government of Memel. Among these Commissions there were some which stood out because of their political importance. These were the Inter-Allied Commission in control of the Occupied Territories in Germany,[1] the Commissions for the Military Control and Disarmament of Germany (Naval, Military, Aerial [2]), and the Reparation Commission.[3] Each of the other Treaties included a similar list. It was clearly necessary, however, to set up some permanent organization to which these Commissions could report and which could come to decisions on the innumerable questions that would (no doubt) arise. It had already been determined, during July, 1919, to establish for this purpose a Commission which should sit in Paris and should be the official representative of the

[1] See II (iii) 4 below.
[2] See II (iii) 5 below.
[3] See II (iv) below.

Principal Allied and Associated Powers for the purposes of the interpretation and execution of the Treaties. It was eventually decided that the members of this Commission should be the Allied Ambassadors to France, and in consequence it received the name of the Conference of Ambassadors. This Conference came into existence immediately after the exchange of ratifications, but there has not been published, and there does not in fact appear ever to have existed, any formal instrument setting up the Conference and determining its functions and limitations. It held its first meeting on the 26th January, 1920. From that time onwards it continued to hold meetings, as a rule once a week, and it established a secretariat and offices of its own. Unfortunately, information is not available for giving a consecutive account of its activities, since, except for brief *communiqués* to the French press, there has been no systematic and regular publication either of its agenda or of its decisions. None the less, it is possible to give some general indication of its functions and methods.

In addition to the French representative, the Conference consisted of the Ambassadors in Paris of Great Britain, Italy, and Japan. The American Ambassador was generally present, at any rate during the first months, but he was there for the information of his Government and took no formal part in the proceedings. The French representative was the Chairman ; at the first meetings M. Millerand, the Prime Minister, was present ; afterwards his place was taken by M. Cambon.

In order to understand the duties of the Conference, it is necessary to consult the texts of the Peace Treaties. In these texts it is laid down repeatedly that certain action shall be taken by the Principal Allied and Associated Powers. The plebiscite regulations, for instance, will be found in every case to lay down that, after a plebiscite has been taken, the frontier shall be fixed by the Principal Allied and Associated Powers. The articles regarding Danzig set forth that the Principal Allied and Associated Powers undertake to establish the town of Danzig as a Free City, and also to negotiate a treaty between the Polish Government and the Free City of Danzig. The military clauses ordain that the manufacture of arms and other war material in Germany shall only be carried out in factories or works the location of which shall be communicated to and approved by the Governments of the Principal Allied and Associated Powers. The chapter on penalties gives to the Allied and Associated Powers the right to bring persons accused of having

violated the laws and customs of war before military tribunals.[1] In fact, it may be said that almost every chapter of each Treaty contains provisions of this kind, the characteristic feature of which is that the Treaty cannot be carried out without a formal decision made by the Allies in co-operation with one another. Briefly, it may be said that the Ambassadors' Conference was the organ set up to carry out all these and any other clauses of the Treaties ;[2] and, so far as can be ascertained, they confined themselves almost exclusively to these definite functions. They did not deal, and never claimed to deal, with such questions as that of the Aaland Islands or the recognition and treatment of the Baltic States or of Soviet Russia, which were outside the province of the four European Peace Treaties. More than this, they appear, by a tacit agreement, to have refrained from interfering in any way regarding Near Eastern affairs, since, inasmuch as the Treaty of Sèvres had never been ratified and nearly four years were to elapse before the Treaty of Lausanne was even signed, the affairs of Turkey and the other countries of the Middle East did not come into the category of the execution of a Treaty until the close of the period under consideration.[3]

With regard to the methods of the Conference there are two points which must be explained. The first is that most of the business with which the Conference had to deal was referred to special Commissions. The most important of these were the Military, Naval, and Aerial Commissions of Control in Germany ; they reported to corresponding Committees, which sat in Paris and for these purposes continued the work of the Supreme Military Council of the Allies ; on any political matter, however, the Paris Committees reported to the Governments not directly but through the Conference of Ambassadors, and from time to time their Chairmen—for instance Marshal Foch, the Chairman of the Military Committee —attended the meetings of the Conference and explained to it the points of difficulty which had arisen. In the same way every one

[1] See II (iii) 2 below.

[2] With the important exception that the Reparation Commission was an independent body reporting directly to the Allied Governments, while there also seems to be some doubt as to the extent to which the Conference of Ambassadors controlled the Rhineland High Commission.

[3] The Treaty of Lausanne also differed from the four preceding Peace Treaties in being freely negotiated between equals ; and since, in practice, its text could only be executed by mutual agreement, it was evidently not susceptible of effective execution by a body representing only one of the two parties.

of the new frontiers had to be fixed by a special Commission established for the purpose. These Boundary Commissions were appointed by and reported to the Conference of Ambassadors, and it was the approval of the Conference which gave the final sanction to the arrangements proposed. It follows that a large part of the business of the Conference consisted in the routine work of receiving from these numerous Committees reports which would be accepted and endorsed if they were unanimous and if they presented no obvious difficulty.

The other point to be considered is that, in accordance with general international custom, the decisions of the Conference required unanimity. There could be no majority vote ; each of the members was directly responsible to his own Government ; and on any matters of difficulty he was bound to refer home for instructions. In fact, the Conference was a convenient clearing-house through which co-operation between the Allies for important specific purposes was maintained, by the traditional diplomatic procedure, during the period when the text of the four European Peace Treaties was being put into effect.

It will be seen that the activities of the various inter-Allied bodies reporting to the Conference of Ambassadors or acting independently ranged from work of a purely routine character, such as the marking out of the new frontiers, to questions ascending in importance from the holding of plebiscites to the disarmament of Germany and the exaction of Reparation. When it is remembered that, in the conduct of international affairs at this time, every decision had to be unanimous except where it was expressly provided to the contrary, it will be realized that a frequent reference back from these organs of delegated authority to their principals was inevitable from the outset, even in matters for which the text of the Treaties prescribed a definite procedure. There were also, however, a number of questions left over by the War upon which no agreement had been reached in Paris and which remained to be settled not by the interpretation or execution of ratified treaties but by those processes of negotiation which precede the drafting of diplomatic instruments. The most urgent of these outstanding international questions of a ' political ' as distinct from a merely ' executive ' or ' administrative ' kind was the conclusion of peace with Turkey and the disposal of the territories to be detached from her ; [1] while perhaps the most

[1] This has been dealt with in vol. vi, Ch. I, ' The Near and Middle East ', of *A History of the Peace Conference of Paris* (hereafter quoted as *H. P. C.*).

important was the problem created by the Bolshevik Revolution which had overtaken an ex-Allied Power, the former Russian Empire. There were claims on the part of the Baltic States to recognition ; [1] there were vast border territories in debate between the Soviet Union on one side and Poland and Rumania on the other ; [2] there were the relations of Soviet Russia with her Asiatic neighbours (Turkey, Persia, Afghanistan, Outer Mongolia, China, and Japan) which affected the interests of other Powers ; [3] and there was the absence of any defined relations between either the Allies or Germany and Soviet Russia.[4] Both the Russian and the Turkish questions were legacies of the War, but already there were appearing above the horizon a number of other international problems, such as that of naval competition in the Pacific, which were only remotely connected with the War and were essentially issues between the Allied and Associated Powers themselves, but which were nevertheless of first-class importance.

(ii) International Conferences.

This array of major political questions could not be delegated to subordinate bodies but could only be dealt with by direct negotiations between the Governments concerned, and at times the pressure of this important business became so great (or the state of negotiations so delicate) that it could not be passed through the ordinary channels of diplomatic correspondence. Any serious divergence of policy, open dissonance or even prolonged friction might have incalculable consequences, for the peculiarity of the situation was that there was no definite alliance between the Powers. Great Britain and France had entered the War and fought for over four years without any definite written agreement except the Treaty of London, by which they had pledged themselves not to make peace separately. This agreement came to an end as soon as peace was signed. There was no definite statement as to the objects and aims of policy ; even during the negotiations of 1919 everything had been left to the impulse and improvisation of the moment. It could easily be seen that grave divergence of policy and serious friction must inevitably arise in the future. It would be the constant

[1] See *H. P. C.*, vol. vi., Ch. III, Part 1.
[2] For Russo-Polish relations see *H. P. C.*, vol. vi, Ch. III, Part 2 ; and for the Bessarabian question the present volume III (ii) 4 below.
[3] See the present volume : IV (iii) and (iv) ; and VI (i) and (ii) below.
[4] See *H. P. C.*, vol. vi, Ch. III, Part 2. Germany had renounced the Treaty of Brest-Litovsk under the Versailles Treaty, Arts. 116, 259, 292, 433.

endeavour of both sides to prevent the discussions from leading to anything in the nature of a diplomatic rupture.

In consequence, the Peace Conference of Paris, which closed on the 21st January, 1920,[1] was followed by an intermittent series of *ad hoc* international conferences which continued until the beginning of the year 1922. These conferences differed greatly in their duration and in the number of parties represented. They ranged from the three days' meeting of the French and British Prime Ministers at Hythe on the 15th–17th May, 1920, or the meeting in London between the same parties on the 18th–22nd December, 1921, to the Conference of Genoa, which lasted nearly six weeks (10th April–19th May, 1922) and was attended by representatives of thirty-four states, including Germany, Russia, and a number of former neutrals. An analysis of the participants in the different conferences perhaps supplies the most useful classification. In the first place there were formal reunions of the Supreme Council of the Allies, like the London Conference of the 12th–23rd February, 1920, the San Remo Conference of the 19th–26th April, 1920, and the Boulogne Conference of the 21st–22nd June, 1920 ; but a new feature was introduced at Spa (5th–16th July, 1920), where the Allied Prime Ministers for the first time met leading members of the German Government in conference in order to negotiate with them on at least nominal terms of equality.[2] The two conferences held in London on the 21st February–14th March and the 29th April–5th May, 1921, were also both attended by the Germans as well as the Allies. On the other hand, the meetings held in Paris on the 24th–30th January and the 8th–13th August, 1921, were purely inter-Allied. On Mr. Lloyd George's initiative, however, a notable extension of range was introduced at Cannes (6th–13th January, 1922) and Genoa (10th April–19th May, 1922). The agenda were carried beyond the execution of the Peace Treaties to the reconstruction of Europe ; and while the Cannes Conference was confined to the Allies, at Genoa (for which Cannes prepared the ground) all Europe was represented. Indeed, these two conferences trenched upon a field which would have been occupied more naturally by the League of Nations, if only the United States, Germany, and Russia had become members. These two conferences were peculiarly the achievement of Mr. Lloyd George, whereas their successors (the London Conference of the

[1] On that date the Supreme Council held its last regular meeting and formally empowered the Conference of Ambassadors.

[2] The terms could not actually be equal owing to the complete disparity of military force.

7th–14th August, 1922, the London Conference of the 9th–11th December, 1922, and the Paris Conference of the 2nd–4th January, 1923) bore the unmistakable stamp of M. Poincaré. They were limited to the Principal Allied Powers and Belgium, they were strictly concerned with the question of Reparation, and they were the last of the series; for M. Poincaré avowed his preference for communication by the ordinary diplomatic channels and he succeeded in getting his way. No more international conferences were held so long as he remained in office.

These were the most important conferences of the series—omitting those concerned with particular questions (such as the Anglo-Franco-Greek Conference of the 19th–20th June, 1920, at Hythe on the Graeco-Turkish War, the Anglo-French Conference of the 8th August, 1920, at Hythe on the Russo-Polish War, or the Anglo-Franco-Italian Conference of the 22nd–26th March, 1922, at Paris on the Graeco-Turkish *impasse*), and also omitting several merely preparatory meetings between two or more Prime Ministers. For the sake of greater clearness, however, as complete a list of meetings as it has been possible to compile is given below, in their chronological order, with a note of the states represented and of the principal agenda.[1]

LIST OF THE PRINCIPAL ALLIED CONFERENCES, 1920–3

Place.	*Date.*	*States represented.*	*Principal Subjects discussed.*
	1920		
Paris	8–16 Jan.	Great Britain, France, Italy.	Fiume; war criminals; trade with Russia.
London	12–23 Feb.	Great Britain, France, Italy, Greece.	Near East; Fiume.
San Remo	19–26 April	Great Britain, France, Italy, Belgium, Japan, Greece.	Near East; Mandates; Anglo-French relations and German disarmament.
Hythe	15–17 May	Great Britain, France.	Reparation.
Hythe	19–20 June	Great Britain, France, Greece.	Turkish offensive towards the Straits.
Boulogne	21–2 June	Great Britain, France, Italy, Belgium, Japan, Greece.	Disarmament; Reparation.
Brussels	2–3 July	Great Britain, France, Italy, Belgium, Japan.	Reparation.
Spa	5–16 July	Great Britain, France, Italy, Belgium, Japan, Germany, Poland.	Disarmament; Reparation; war criminals; Near East; Teschen; Russo-Polish War.
Hythe	8 Aug.	Great Britain, France.	Russo-Polish War.

[1] I must here acknowledge my indebtedness to the table on p. 342 of *Old Diplomacy and New*, 1876–1922, by A. L. Kennedy (1922, John Murray, 18*s*.)—A. J. T.

Place.	*Date.*	*States represented.*	*Principal Subjects discussed.*
	1921		
Paris	24–30 Jan.	Great Britain, France, Italy, Belgium, Japan.	Reparation; disarmament; Austrian reconstruction; Near East.
London	21 Feb.–14 March	Great Britain, France, Italy, Belgium, Japan, Greece, Turkey, Germany.	Near East; Reparation.
Lympne	23–4 April	Great Britain, France.	Reparation.
London	29 April–5 May	Great Britain, France, Italy, Belgium, Japan, Germany.	Reparation.
Paris	19 June	Great Britain, France, Italy.	Near East.
Paris	8–13 Aug.	Great Britain, France, Italy, Belgium, Japan.	Upper Silesia; Near East; war criminals; disarmament.
London	18–22 Dec.	Great Britain, France.	Reparation; security; reconstruction.
	1922		
Cannes	6–13 Jan.	Great Britain, France, Italy, Belgium, Japan, Germany.	Anglo-French Pact; agenda for Genoa Conference; Reparation.
Boulogne	25 Feb.	Great Britain, France.	Conditions for Genoa Conference.
Paris	22–6 March	Great Britain, France, Italy.	Near East.
Genoa	10 April–19 May	Twenty-nine European States and five British self-governing Dominions.	European reconstruction; relations with Russia.
The Hague	26 June–20 July	European States and Russia (experts).	Relations with Russia.
London	7–14 Aug.	Great Britain, France, Italy, Belgium.	Reparation.
London	9–11 Dec.	Great Britain, France, Italy, Belgium.	Reparation.
	1923		
Paris	2–4 Jan.	Great Britain, France, Italy, Belgium.	Reparation.

At the risk of repetition this table has been supplemented, in the following pages, by a brief summary of what occurred at these successive conferences so far as it was known at the date of writing.[1] The procedure by conference was hardly less characteristic of the years 1920–2 than of the period between the Armistice and the coming into force of the Treaty of Versailles or of the years following the war of 1792–1815. At irregular intervals a small number of statesmen, still holding in their hands the abnormal power which

[1] Large portions of the agenda—for example, those relating to the Near and Middle East and to Russia—have been dealt with already in the sixth volume of the *History of the Peace Conference*, while other portions are dealt with elsewhere in the present volume, especially under the heads of the Military Control and Disarmament of the German *Reich* (II (iii) 5) and Reparation (II (iv)).

had accrued to them during the War, would meet to pick up from other bodies a miscellany of current questions great and small, and would then proceed rapidly to turn them over, settle them or not as the case might be, and hand them back, sometimes unaltered and sometimes transformed, to the Reparation Commission, the Conference of Ambassadors, or the League of Nations, while the statesmen hurried home to their respective capitals in order to attend to internal affairs.

1. Conference of Paris, 8th–16th January, 1920

This was a meeting of the Supreme Council (Mr. Lloyd George, M. Clemenceau, and Signor Nitti), the delegates being assembled in Paris for the ceremony of the ratification of the Peace Treaty, which took place on the 10th January. The Adriatic question was the principal subject of discussion, and there were frequent conversations with representatives of Jugoslavia, who rejected at this Conference the proposals put forward by Mr. Lloyd George and M. Clemenceau with regard to Fiume.[1] On the 12th January a decision was taken concerning the organization of inter-Allied military control of Germany. The list of war criminals was also finally settled, and a note was dispatched to the Netherlands Government demanding the extradition of the ex-Kaiser. Finally, on the 16th January it was announced that the Council had decided to grant facilities to Russian co-operative organizations to import goods in exchange for grain and other commodities.

2. Conference of London, 12th–23rd February, 1920

This was a meeting of the Supreme Council, at which the three Principal Allied Powers in Europe were represented by their respective Prime Ministers (M. Millerand, Signor Nitti, and Mr. Lloyd George). The principal business of the Conference was to lay down the main lines of the Treaty with Turkey, now that it was certain that the United States would not participate in the Near Eastern settlement. A decision to allow ' the Sultan's Government ' to remain at Constantinople was taken on the 16th February and published next day. The Fiume controversy was also carried one stage farther on the 17th by the joint memorandum which Mr. Lloyd George and M. Millerand drew up in reply to President

[1] See *H. P. C.*, vol. iv, p. 316.

Wilson's memorandum of the 10th.[1] The Conference also considered the objections of Hungary to the draft Treaty of Trianon, as well as the general financial and economic situation of Europe.[2]

3. Conference of San Remo, 19th–26th April, 1920

This was a meeting of the Supreme Council (MM. Millerand, Nitti, and Lloyd George), including, this time, a Japanese representative (M. Matsui). M. Venizelos took part in the discussions on the Turkish Treaty, and several meetings were attended by an American observer, while the Belgian representatives (MM. Hymans and Jaspar) were called in on the 25th when the Conference turned its attention to questions concerning Germany. The Turkish Treaty was the first and principal business considered, and in six sessions (19th–24th April) the framework of the future Treaty of Sèvres was constructed. The Conference also considered the problems of Batum and Armenia. The most important permanent results of this meeting of the Supreme Council in the Near and Middle Eastern field were the assignment (25th April) of the mandates for Mesopotamia, Palestine, and Syria and the drafting of an Anglo-French oil agreement (signed by Sir J. Cadman and M. Ph. Berthelot on the 24th and confirmed by MM. Lloyd George and Millerand on the 25th) which covered not only the Middle East but Rumania and the French and British non-self-governing colonies.[3]

Meanwhile, on the 12th March, Lord Curzon, in the name of the Supreme Council, had offered the mandate for Armenia to the League of Nations in default of the United States. On the 11th April the Council of the League had declined the task in a reasoned memorandum,[4] but the incident was important as being the first case in which the Supreme Council had invited the participation of the League in a matter arising out of the War of 1914, since it had been understood in a general way that the settlement after the War was to be exclusively the concern of the Allied Powers and their organs.

The most delicate questions, however, were those relating to Germany, over which tension had already arisen between France and Great Britain. In the section on the Military Control and Disarmament of the German Reich (II (iii) 5 below) some account

[1] *Op. cit.*, vol. iv, p. 324.
[2] *Op. cit.*, vol. iv, Ch. III, Part 2.
[3] Text in *op. cit.*, vol. vi, p. 603.
[4] Text in *L'Europe Nouvelle*, 8th May, 1920.

is given of the reactionary *Putsch* which drove the Republican Government from Berlin on the 25th March; the defeat of the movement by a general strike; the swing of the pendulum which produced an armed collision in the Ruhr between the Republican Government (now restored to Berlin) and the Communists; the independent action of France in occupying Frankfurt, Darmstadt, and several other places in Germany beyond the Treaty line, on the ground that Germany had violated the Treaty by sending more troops than the permitted maximum into the Neutral Zone; and the sharp note of protest from the British to the French Government, to which France replied by disclaiming any intention to act, in inter-Allied matters, without the previous assent of her Allies. These were the immediate antecedents to the San Remo Conference, and the German problem was brought to a head by the receipt of a note, dated the 20th April, 1920, from the German Minister of War, asking that the maximum strength for the German Army, which had been fixed by the Treaty at 100,000, should be doubled. To this the Supreme Council replied, on the 26th, by an important joint declaration,[1] in which they refused the German request and charged Germany with default in respect of disarmament and Reparation, laying particular emphasis on her omission to exercise her option of making a proposal for a 'lump sum' payment in lieu of the Treaty procedure.[2] At the same time the Allies formally disclaimed any intention to annex German territory and announced their purpose 'to invite the heads of the German Government to a direct conference with the heads of Allied Governments'.

Accounts of the Conference were given to the French Chamber by M. Millerand on the 27th April and to the House of Commons by Mr. Lloyd George on the 29th.[3] M. Millerand insisted that direct negotiations with Germany were only permissible on certain conditions. All idea of revising the Treaty of Versailles must be formally excluded, and the Allies must come to a previous agreement regarding both the terms to be demanded and the eventual sanctions to be imposed. Mr. Lloyd George argued that the Ruhr incident was not connected with the execution of the Treaty; spoke out strongly against 'making another Alsace-Lorraine' of the Rhine-

[1] Text in *loc. cit.*

[2] This option had been conceded by the Allies in § 5 of their covering letter to their reply to the German observations on the draft treaty (16th June, 1919).

[3] Texts in *L'Europe Nouvelle*, 8th May, 1920.

land ; and emphasized the importance of the new departure entailed in the project for a ' free conference ' with Germany.

4. Conference of Hythe, 15th–17th May, 1920

This meeting between the British and French Prime Ministers, accompanied by the Chancellor of the Exchequer and the French Minister of Finance, was concerned entirely with Reparation and is dealt with under that head below.

5. Conference of Hythe, 19th–20th June, 1920

This was an emergency meeting occasioned by the offensive of the Turkish Nationalists against the inadequate Allied detachments holding the Asiatic shores of the Black Sea Straits. It was attended by Mr. Lloyd George, M. Millerand, M. Venizelos, Marshal Foch, General Weygand, and Sir Henry Wilson. M. Venizelos proposed that the Greek army in the Smyrna district should strike north-eastwards in order to interpose between the Straits and the Turkish forces. His proposal was supported by Mr. Lloyd George and somewhat doubtfully accepted by the military experts. It was executed with complete success.

6. Conference of Boulogne, 21st–22nd June, 1920

This was a meeting of the Supreme Council, attended by the three Principal Allied Powers in Europe and by Japan, while Greece and Belgium participated in the particular discussions that concerned them. Turkey, Russia, Reparation, and the disarmament of Germany were on the agenda. The Powers agreed to accredit Ambassadors to Berlin, sent a note to the German Government requiring the disbandment of the *Sicherheitspolizei*, and postponed the date of the Conference with the Germans which was to be held at Spa. At the time of writing the inner history of the Boulogne Conference had not been disclosed, but it was believed to have reached important results on the question of Reparation. The Allies appear to have agreed in principle that Germany should pay minimum annuities, to be increased on a sliding scale in the ratio of Germany's economic revival. It was suggested that there should be thirty-five such annuities at a minimum of three milliard gold marks each.

7. Conference of Brussels, 2nd–3rd July, 1920

This was merely a preliminary meeting of the Allied Prime Ministers, attended by their experts, to settle their programme for the forthcoming Conference with the Germans at Spa.

8. Conference of Spa, 5th–16th July, 1920

The important feature of this Conference was that Herren Fehrenbach (the Chancellor of the German *Reich*), Simons (Foreign Minister) and Wirth (Finance Minister) for the first time met the heads of the Allied Governments on a formal footing of equality, while at the same time there were longer and perhaps more fruitful meetings between the experts on both sides. The critical questions were the disarmament of Germany and the deliveries of coal due under the Treaty of Versailles. These are dealt with in detail under other heads.[1] It is sufficient here to mention that in either case the negotiations broke down and the German delegates were compelled to sign protocols (a disarmament protocol on the 9th and a coal protocol on the 16th July) dictated by the Allies under threat of military sanctions. The sanctions, which were set out in the text of the protocols, included in both cases an eventual inter-Allied occupation of the Ruhr Basin. The crisis over the coal question was the more serious of the two. The representatives of the Allies were exasperated by the pugnacious tone adopted by Herr Stinnes (who appeared before them on the morning of the 10th, though merely as a spokesman of the private German coal interests, for whose action the official representatives of the *Reich* disclaimed responsibility) and by the inadequacy of the German scheme of Reparation which was handed to them by Dr. Simons on the 11th. On the 13th the Conference was actually suspended, after the rejection by the Allies of the German schedule for future deliveries of coal; and Marshal Foch, Sir Henry Wilson, and General Degoutte were summoned to Spa to discuss immediate measures of military coercion. On the 15th the Allies handed to the Germans a definitive protocol concerning coal deliveries which the Germans signed the next day; but they reserved their assent to Article 7 (sanctions) and the text contained a substantial concession from the side of the Allies. The larger deliveries which Germany was required to make, as compared with her offer, were to be compensated by what was in effect (though not in form) a partial cash payment by the Allies for value received.[2]

[1] II (iii) 5 and (iv).

[2] See below, p. 123.

Agreement was also reached between the Allies and Germany regarding the trial of war criminals ;[1] and at the same time the Allies, sitting as the Supreme Council, settled a number of questions among themselves, the most important being the distribution of the Reparation eventually to be recovered from Germany. The agreement reached on this question was embodied in the inter-Allied protocol of the 16th ; but it was remarkable that this agreement and the coal agreement (which merely determined the amount of deliveries in kind under a single head for a period of six months) were the only positive contributions of the Conference towards the settlement of the Reparation Question. The rejection of the inadequate German scheme was not followed up on this occasion by any Allied counter-proposals envisaging the problem as a whole.

On the 7th July the Supreme Council took occasion to examine and reject the objections of Damad Ferid Pasha, the Grand Vezir of the Sultan's Government at Constantinople, to the draft Treaty of Sèvres ; and on the 12th they cancelled the plebiscite to be held in the Teschen district and entrusted the Conference of Ambassadors with the task of delimiting the Polish-Czechoslovak frontier in this sector—the two parties agreeing in advance to accept the Ambassadors' award.[2]

The Supreme Council had also to deal with an appeal for intervention in the Russo-Polish War [3] on the part of the Polish Prime Minister (M. Grabski) and Foreign Minister (M. Patek), who came to Spa in person, at a stage in the struggle when the fall of Warsaw and the collapse of the Polish armies seemed not impossible. Suggestions for an Armistice, to be followed by a Peace Conference in London between Russia and all the western border states, were made by the Supreme Council to both belligerents in a note dispatched on the 11th July. Though the terms suggested included the withdrawal of the Poles within their linguistic frontiers, the Soviet Government was tempted—by the prospect of a decisive military victory—to let this opportunity slip, and they sent an evasive reply.

9. Conference of Hythe, 8th August, 1920

This was an emergency Conference called to deal with the Russo-Polish War, and it was thus parallel to the Conference which had met at the same place on the 19th of the previous June to deal with

[1] II (iii) 2.
[2] *H. P. C.*, vol. iv, Ch. VI, Part 1.
[3] See *H. P. C.*, vol. vi, Ch. III, Part 2.

the military situation in Asia Minor. It was attended by M. Millerand, Mr. Lloyd George, Lord Curzon, Marshal Foch, Earl Beatty, and Sir H. Wilson, and it was agreed that the Allies, who in the meantime had advised Poland to treat directly with Russia, should intervene in Poland's favour if the Russian terms involved any infringement of Polish independence. This decision resulted in divergent action. On the basis of an incomplete outline of the draft Russian terms, communicated on the 10th August by the head of the Russian Trade Delegation, M. Kamenev, Mr. Lloyd George decided that the necessity for intervention had not arisen ; whereas M. Millerand recognized General Wrangel, the Russian 'White' leader in the Crimea,[1] and instructed General Weygand to place himself at the service of the Polish Government for the organization of a counter-offensive—an intervention which turned the tide and settled the result of the campaign.

10. Conference of Paris, 24th–30th January, 1921

This was a meeting of the four Principal Allied Powers and Belgium to discuss Reparation. Although M. Millerand had passed from the Premiership to the Presidency in September, 1920, and had been succeeded as Premier by M. Briand (after a short tenure of the office by M. Leygues), there was a growing opposition in France to a settlement of the Reparation Question along the lines of agreement left open by the letter of the 16th June, 1919, as contrasted with a rigid application of the Reparation Chapter of the Treaty. M. Briand was therefore compelled to advocate a less liberal proposal than that which had (apparently) been agreed upon at Boulogne in June, 1920, or than the more detailed suggestions which had been worked out on the Boulogne basis at the Conference of Allied and German experts which had met during December, 1920, at Brussels.[2] The outcome was a proposal to Germany from the parties to the Conference, dated the 29th January ;[3] but while this was the main work of the Conference, it also dispatched to the German Government a detailed note on disarmament ;[4] laid down monthly figures for deliveries of coal after the expiry of the Spa Agreement ; received a report from M. Loucheur on the possibilities of reconstruction in Austria, which it referred to a *comité d'études* ; granted *de jure*

[1] The French Government signified shortly afterwards that recognition in this case did not imply material assistance.
[2] See below, p. 125.
[3] See below, p. 127.
[4] See II (iii) 5 below.

recognition to Latvia and Esthonia ; and decided to invite Greek and Turkish delegations to a Conference to be held in London during February, in order to reconsider certain parts of the Treaty of Sèvres.

11. Conference of London, 21st February–14th March, 1921

In this Conference the Principal Allied Powers carried on alternately two distinct series of negotiations—with the representatives of the Athens, Constantinople, and Angora Governments on the one hand, and with the German Foreign Minister, Dr. Simons, on the other. The Turkish settlement has been dealt with in the *History of the Peace Conference*,[1] and it need only be mentioned here that the Allied Powers failed to bring the Greeks and Turks to an agreement. The Greeks launched a new offensive on the 23rd March, and the single definite result of the Conference, so far as the Near and Middle East was concerned, was the separate agreement of the 9th March between M. Briand and Bekir Sami Bey, which put an end to hostilities between France and the Turkish Nationalists along the Turco-Syrian Frontier.[2]

The negotiations with Germany opened on the 1st March, when Dr. Simons presented his counter-proposition to the Paris proposals of the 29th January. This document (discussed below under the heading of Reparation) was an attempt to scale down the Paris figures while nominally accepting them as a basis, and the offers contained in it were also contingent (which was more reasonable) upon the result of the Upper Silesian plebiscite being favourable to Germany and upon the removal of artificial restrictions and inequalities affecting international trade. This document provoked the Allies into drawing up a schedule of alleged German defaults under all heads of the Versailles Treaty and deciding upon the immediate application of sanctions unless Germany accepted the Paris proposals as they stood. This ultimatum was formally presented to the German delegation on the 3rd March by Mr. Lloyd George, who addressed Dr. Simons in very severe terms ; and, after several days of energetic but fruitless negotiations, he announced on the 7th March that the sanctions which he had threatened were to be applied. There was to be a military occupation (actually carried out on the 8th March) of Düsseldorf, Duisburg, and Ruhrort,

[1] Vol. vi, Ch. I, Part 2.
[2] Text in *L'Europe Nouvelle*, 26th March, 1921.

three places just outside the area of occupation under the Treaty and on the threshold of the Ruhr Basin; a tax was to be levied upon payments for German imports into Allied countries, the proceeds being payable to the account of Reparation;[1] the customs receipts along the German frontiers within the occupied area were to be impounded; and a new customs cordon was to be established provisionally along the boundary between the occupied and unoccupied parts of Germany. On the 10th March the German Government appealed to the League of Nations in a reasoned statement, in which they argued that the occupation of additional German territory as a sanction was not permissible under the Treaty of Versailles, and claimed the intervention of the League as victims of an aggression constituting a threat to peace. The Council of the League does not appear to have taken any action in this matter, but at the same time the action taken by the Allies was of doubtful legality. The letter of the 16th June, 1919, had not obliged, but merely permitted, Germany to make an offer in lieu of the terms laid down in the Reparation Chapter of the Treaty. *A fortiori*, she was under no obligation to accept an alternative proposal presented to her, as a definitive text, by the Allies. If she did not choose to exercise her option, she simply remained bound by her obligations under the Treaty, which prescribed no specific instalment of payment before the 1st May, 1921. Nevertheless, the Allied sanctions were applied. Not only was additional German territory occupied on the 8th March, but the customs cordon between occupied and unoccupied territory was established on the 9th April.

12. Conference of Lympne, 23rd–24th April, 1921

This was a preliminary meeting between M. Briand and Mr. Lloyd George to prepare for a meeting of the Supreme Council. The occasion was the failure of previous conferences to reach a settlement of the Reparation Question outside the terms of the Treaty of Versailles. It had become evident that the Treaty would take effect, and probable that Germany would be found in default on the total payment of twenty milliard gold marks, in cash or kind, which was due from her, under the Treaty, by the 1st May. Fresh sanctions were discussed, including an occupation of the Ruhr Basin.

[1] The British Government acted on this decision by carrying through Parliament the Reparation (Recovery) Act of the 24th March, 1921.

13. Conference of London, 29th April–5th May, 1921

This was a meeting of the Supreme Council, attended by Belgium and Japan as well as the three Principal Allied Powers in Europe. Since it was entirely concerned with Reparation, in the history of which it marked a critical stage, it is dealt with below under that head; but it should be mentioned here that the sanctions laid down in the Allies' ultimatum of the 5th May (which Germany accepted on the 11th) were threatened in case of default in respect not only of Reparation but of disarmament, the trial of war criminals, and Articles 264–7, 273, 321, 322, and 327 of the Treaty of Versailles.

14. Conference of Paris, 8th–13th August, 1921

This was a meeting of the Supreme Council, the most important business on the agenda being the action to be taken in consequence of the results of the plebiscite in Upper Silesia. On the 12th August, when the Supreme Council, after four days of discussion and consultation with their experts, had failed to agree upon a line of partition between Germany and Poland, it was unanimously decided to refer the question, under Article 13 of the Covenant, to the Council of the League of Nations. The Council accepted the task and made a recommendation on the 12th October, 1921, which was adopted by the Conference of Ambassadors on the 21st. This settlement of the Upper Silesian question was historically important, not merely in itself, but as being the first case in which action arising out of a Peace Treaty, which fell within the province of the Ambassadors' Conference and their principals the Supreme Council, was transferred to, and undertaken by, the League of Nations.[1]

The Conference also considered the situation in Anatolia, where the Graeco-Turkish War was at its height;[2] the Russian famine; the trial of war criminals; the disarmament of Germany; and the sanctions imposed upon her during the preceding March. It was decided that the additional occupation of territory should continue, but that the economic sanctions should terminate on the 15th September, if Germany had fulfilled the obligations incumbent on her up to that date.

[1] See *H. P. C.*, vol. vi, Appendix III.

[2] The Greeks had captured Eski Shehr on the 19th July and started to advance against Angora on the 14th August.

15. Conference of London, 18th–22nd December, 1921

This was a meeting between Mr. Lloyd George and M. Briand, who was accompanied by M. Loucheur. The immediate occasion was a declaration by Germany that she would be unable to make the payments due on the 15th January and 15th February, 1922, under the schedule imposed upon her by the ultimatum of the 5th May, 1921, which she had accepted on the 11th May. It was decided to call a meeting of the Supreme Council at Cannes, and a memorandum of suggestions on the Reparation Problem, to be laid before this meeting, was drawn up in agreement by the French and British Prime Ministers. These are dealt with below under the head of Reparation, but the official *communiqué* made to the Press on the 22nd December announced a new departure :

> Although no definite decision was reached, a line of action was agreed upon, and representatives of British industry and finance are conferring with the Prime Minister and his colleagues to-morrow, to discuss in fuller detail the proposals with which the conversations have been dealing. The French Government will have similar conversations with business men and financiers in Paris, at which probably some Ministers will be present. The result of these negotiations will come up for review at the forthcoming conference. It is probable that the proposals of the two Governments to be submitted at Cannes will include one for the summoning of a general European economic conference, to enable the European nations to co-operate in building up their economic system and generally restoring the welfare of their people. The Allies will decide what nations are to be represented at this conference.[1]

Since the ultimatum of the 5th May, the British Government had taken the measure of Germany's capacity to pay. The collapse of the mark under the strain of the cash payment which the German Government had actually made in August had convinced Great Britain that relief from her own burdens was to be looked for not so much in prospective receipts from Germany as in a general reconstruction of the economic life of Europe, leading to a revival of Great Britain's foreign trade. Reconstruction, however, would be impossible without the co-operation of France, and there was no apparent prospect that France would abandon any of her Treaty rights to Reparation in consideration of the actual financial situation of Germany. The French public still believed that the Treaty was susceptible of execution, and every month's delay was increasing the influence of M. Poincaré and his supporters, who

[1] *The Times*, 23rd December, 1921.

maintained that, in case of German default, the Allies were entitled, under Section 18 of Annex II of the Reparation Chapter of the Versailles Treaty, to take additional military sanctions, and, further, that each Allied Power was entitled to act in this matter independently. At several previous conferences, when sanctions had been discussed, the French Government had suggested the military occupation of the Ruhr Basin, which would give the occupying Power a strangle-hold upon Germany's economic life ; and, if once France were to take this step, it was by no means certain that she would withdraw even if it failed to bring about the payment of Reparation. In her policy towards Germany, France had two distinct ends in view : economic Reparation for the damage which Germany had done to her in the War of 1914 and military security against a future German invasion. A sanction which was ineffective for the former purpose might still be turned to account for the latter ; and indeed a French statesman who had promised and failed to procure Reparation for his fellow countrymen might be driven to forestall their disappointment by presenting them, instead, with a 'security' based upon the virtual dismemberment of Germany. Thus the British Government, in bringing forward their policy of European reconstruction, found it advisable to dissociate it very distinctly from the problem of executing the Reparation Chapter of the Treaty ; and at the same time they were anxious to satisfy France, if possible, on the question of her security by action of their own, in order to remove any temptation which France might have to seek security in the dismemberment of Germany through the indirect channel of sanctions taken for German defaults in the payment of Reparation. This was the situation on the eve of the Conference of Cannes.

16. Conference of Cannes, 6th–13th January, 1922

This was a meeting of the Supreme Council, to which the Reparation Commission and the representatives of the German Government were successively summoned. The principal agenda were a project for an Anglo-French Pact, plans for a European Economic Conference to be held at Genoa, and Reparation.

The meeting of the Supreme Council was preceded by conversations in Paris between French and British economic experts. At Cannes on the 4th January, before the formal session of the Supreme Council began, Mr. Lloyd George submitted to M. Briand a memoran-

dum [1] setting forth the British view of the relations between the problems of Reparation, Security, and Reconstruction; insisting that a scheme for European reconstruction must include Russia; recalling the sacrifices in favour of France to which Great Britain had assented in the joint memorandum on Reparation drafted at the recent Conference of London; and making an unconditional offer to conclude an agreement by which Great Britain would undertake to assist France with all her forces in the event of unprovoked German aggression upon French soil.[2] The memorandum went on, however, to warn France that the British Empire would not be willing to incur military commitments in Central and Eastern Europe, and to urge that the suggested treaty should be accompanied (like the accord of 1904) by a complete *entente* on all issues outstanding between the two countries. The importance of avoiding submarine competition was emphasized, and the memorandum concluded with an outline of conditions to which all nations participating in a European scheme of reconstruction should subscribe, with evident reference to the difficulties of collaboration with Soviet Russia. In the final paragraphs, the idea of reconstruction was linked with those of disarmament and non-aggression.

At the first formal meeting of the Conference on the morning of the 6th January, Mr. Lloyd George introduced a resolution [3] to the effect that

> The Allied Powers in conference are unanimously of opinion that an Economic and Financial Conference should be summoned in February or early March, to which all the Powers of Europe, including Germany, Russia, Austria, Hungary and Bulgaria, should be invited to send representatives. They regard such a Conference as an urgent and essential step towards the economic reconstruction of Central and Eastern Europe. . . . A united effort of the stronger Powers is necessary to remedy the paralysis of the European system.

This resolution (which further laid down 'fundamental conditions' of participation, designed to overcome the difficulty of dealing with Soviet Russia) was unanimously adopted, with slight modifications, at an afternoon session on the same day, at which it was

[1] Text in *L'Europe Nouvelle*, 21st January, 1922.

[2] The whole question of security and the reduction of armaments in Europe (which had little connexion with the problem of the limitation of naval armament, dealt with in Part VI of the present volume) will be discussed in the *Survey of International Affairs for 1924*.

[3] See British White Paper, *Resolutions adopted by the Supreme Council at Cannes, January 1922, as the basis of the Genoa Conference* (*Cmd.* 1621 of 1922).

also decided to invite the United States.[1] The outline agenda drawn up by the Supreme Council for the Genoa Conference were as follows :

1. Examination of the methods of putting into practice the principles contained in the resolution reached at Cannes on the 6th January, 1922.
2. The establishment of European peace on a firm basis.
3. Essential conditions for re-establishment of confidence without injury to existing treaties.
4. Financial subjects.
   (*a*) Currencies.
   (*b*) Central banks and banks of issue.
   (*c*) Public finance in relation to reconstruction.
   (*d*) Exchanges.
   (*e*) Organization of public and private credit.
5. Economic and commercial subjects.
   (*a*) Facilities and guarantees for the import and export of commercial products.
   (*b*) Legal guarantees for the re-establishment of commerce.
   (*c*) Protection of industrial property and copyrights.
   (*d*) Status of consuls.
   (*e*) Admission and position of foreigners in regard to the conduct of business.
   (*f*) Technical assistance to industrial reconstruction.
6. Transport.

For the preparation of the detailed agenda and draft resolutions, the Supreme Council, on the 13th January, appointed a committee of one representative each from the four Principal Allied Powers and Belgium. In one respect they had already anticipated the agenda for Genoa in a resolution[2] passed on the 10th January declaring that ' the Supreme Council approves the establishment of an international corporation with affiliated national corporations for the purpose of the economic reconstruction of Europe ', and providing for the immediate appointment of an organizing committee.[3]

Meanwhile, Mr. Lloyd George and M. Briand had been discussing the proposed British guarantee to France, and M. Briand had

[1] The formal issue of the invitations on the 10th January was anticipated by the arrival of two telegrams from Moscow—the first announcing willingness to participate and the second proposing that the meeting-place should be London instead of Genoa.

[2] Text in *Cmd.* 1621 of 1922.

[3] The main object of forming this consortium was to facilitate the economic reconstruction of Russia, but the plan never led to practical results.

demanded two modifications: the guarantee must be reciprocal, and it must be supplemented by a technical military convention.[1] A unilateral pact was considered in France not only as a humiliation for a Great Power but as a limitation upon the French Government's freedom of action which might even amount to a measure of control over French policy on the part of the guarantor. A technical military convention, again, was regarded as essential if the guarantee was to be of practical value, since, unless the plans for military co-operation had been worked out beforehand and could be put into effect at any moment, it was felt, in the light of 1914, that British assistance might fail to arrive in time. Although M. Briand was insisting on these French views in his negotiations with Mr. Lloyd George, the information which was reaching Paris in regard both to the projected Anglo-French Pact and to the programme for Genoa was raising a storm. On the 10th January, M. Briand received the text of two motions, one emanating from the *Gauche Républicaine* group in the Senate and the other from the Finance Commission of the Chamber of Deputies, which were virtually votes of censure on the policy which he was pursuing at Cannes.[2] M. Briand replied in conciliatory telegrams to the chairman of the *Gauche Républicaine* group and the President of the Finance Commission, and on the same day he gave an interview to the Press in which he declared that the proposed Anglo-French Pact entailed no diminution of the rights of France under the Treaty of Versailles and that, as regards Reparation, France would not be asked to accept one centime less for 1922 than would normally have been her due.[3] The next day, however, he received a personal telegram from President Millerand recalling him to Paris, and he

[1] British Blue Book: *Papers respecting Negotiations for an Anglo-French Pact* (*Cmd.* 2169 of 1924), p. 123.

[2] Motion du Groupe de la Gauche Républicaine du Sénat:

Le groupe de la gauche républicaine du Sénat, demeurant attaché à l'accord des alliés, en présence des négociations engagées pour la conclusion d'une alliance franco-anglaise, compte que le gouvernement mettra au premier rang de ses préoccupations la conservation d'une solide armée nationale et des gages existants qu'il estime indispensables pour la protection immédiate du territoire français et l'exécution des traités.

Motion de la Commission des Finances de la Chambre:

La Commission des Finances, inquiète des atteintes que la Conférence de Cannes paraît devoir apporter aux droits de la France concernant les réparations; émue des répercussions si graves qui pourraient en résulter pour la reconstitution des régions libérées et le relèvement de nos finances, rappelle au gouvernement l'engagement qu'il a pris de ne consentir aucun nouveau sacrifice.

[3] For the texts of this interview and of the two telegrams, see *L'Europe Nouvelle*, 21st January, 1922.

left Cannes that afternoon, with the British draft of the Pact in his pocket,[1] four hours after the arrival of Herr Rathenau at the head of the German delegation. Next morning (the 12th January) he met his Cabinet, in the afternoon he met the Chamber, and by the evening the news of his resignation had reached the representatives of the other Powers at Cannes before they had risen from their sitting.

Next day (the 13th January) the Supreme Council held its final meeting, with France represented no longer by a delegation but (like the United States) by an observer without executive power. The Council proceeded to examine the situation created by the departure of the French delegation. It was decided that decisions in regard to which complete unanimity had been attained should become operative—for example, the arrangements for the Conference of Genoa—while decisions which did not possess a definitive character would have to be reconsidered. On the same day, President Millerand entrusted the task of forming a new Government to M. Poincaré.

Concurrently with the projected Franco-British Pact and the plans for the Genoa Conference, the Supreme Council at Cannes had been dealing with Reparation. Both the Reparation Commission and the representatives of Germany had been summoned to the spot, Herr Rathenau and his colleagues had been given audience on the 11th and 12th January, and on the 13th the Reparation Commission had granted Germany a moratorium for cash payments in respect of the instalments due on the 15th January and 15th February, on condition of certain interim monthly payments. These negotiations are discussed in a later section under the head of Reparation.

17. Conference of Paris, 22nd–26th March, 1922

This was a meeting of the Foreign Ministers of the three Principal Allied Powers in Europe[2] which was solely concerned with the Graeco-Turkish War. Since the failure of the Greeks to secure a military decision during the previous summer, it had become evident that their position in Anatolia was not permanently tenable, and that the alternatives were an agreed evacuation or an eventual military disaster. The object of the Conference was to secure an

[1] Text in *Cmd.* 2169, p. 127.

[2] Lord Curzon, Signor Schanzer, and M. Poincaré (who combined the Foreign Ministry with the Premiership).

agreed solution, and its first act was to propose an Armistice to both belligerents with a view to the ultimate evacuation of Anatolia by the Greek forces and the restoration of full Turkish sovereignty. It was further proposed that Eastern Thrace should be partitioned between the two parties along a line running south and north from a point on the Sea of Marmara west of Rodosto to a point on the Bulgarian frontier. These proposals broke down because the Angora Government demanded that the Greek evacuation should begin from the moment of the Armistice instead of being delayed until the peace terms had been settled in detail, while they also refused to accept anything less than the whole of Eastern Thrace, including the Gallipoli Peninsula and Adrianople. Thus the state of war continued until a military decision in Turkey's favour was reached in the following August. The Armistice of Mudania, the two sessions of the Peace Conference at Lausanne, and the Lausanne Treaty (signed on the 24th July, 1923) have been dealt with in the *History of the Peace Conference*.[1]

18. Conference of Genoa, 10th April–19th May, 1922 [2]

This Conference was attended by representatives of the British self-governing Dominions and of twenty-nine European States, including Russia and all the ex-enemy countries except Turkey, whose claim to participation was not admitted on the ground that she was an Asiatic Power.[3] This time the dominant issue was not the exaction of Reparation from Germany by the Allies but the renewal of relations between the countries of Europe and Russia. The principal result, however, which was achieved at Genoa was the Russo-German Treaty of Rapallo (16th April, 1922). The history of the Conference may be divided chronologically into the preliminary negotiations between various groups of prospective participants; the activities of the Conference itself (the most important of which were extraneous to the official programme), and the Conference of Experts at The Hague (26th June–20th July, 1922) to which the Genoa Conference remitted its agenda after failing to reach agreement.

[1] Vol. vi, Ch. I, Part 2, Epilogue.

[2] See *H. P. C.*, vol. vi, Ch. III, Part 2, §§ 15–16, for the part played by Soviet Russia. See also the League of Nations publication: *The Genoa Conference and the League of Nations* (Memorandum by the Secretary-General, price 6*d.*).

[3] The claim was made by the Angora, not the Constantinople, Government.

(*a*) *Preliminaries.*

(*a*) *The Attitude of M. Poincaré.* M. Poincaré had been carried into power by the wave of opposition which had arisen in France against the policy of M. Briand at Cannes, but he found the French Government already committed to the Conference of Genoa. He therefore concentrated his efforts upon preventing any extension of the agreed outline agenda, upon interpreting their contents in the narrowest possible sense, and upon diminishing the prestige of the Conference by refusing to attend it in person. He defined his attitude in a memorandum dated the 1st February, 1922,[1] in answer to the official invitation of the 16th January from the Italian Government. France, he declared, could only participate if the Soviet Government accepted completely, and in advance, the conditions specified in the Supreme Council's resolutions of the 6th January ; the reservation of existing Treaties in Article 3 of the outline agenda ' s'applique à tout l'ensemble de ce programme et doit dominer toutes les discussions de Gênes '. The Treaties were not to be called in question by ex-neutral participants ; the Conference must not usurp the functions assigned by the Treaties to the League of Nations ; the resolution against foreign interference in the internal affairs of states must not apply to the veto upon the restoration of the Hohenzollerns and the Hapsburgs ; the principles of respect for private property and the legal execution of contracts would (presumably) involve, in Soviet Russia, a system of capitulations for foreigners ; and the proposed pledge of non-aggression ' would not have power to deprive the Allies of the right conferred on them by the Treaty of Versailles, in the case of default by Germany in her Reparation obligations, of taking measures of coercion, which Germany would not have the right to consider acts of war ' (§ 18 of Annex II to Part VIII of the Treaty). In this document, the main lines of M. Poincaré's policy during his tenure of office were already apparent.

On the 31st January he had addressed a memorandum of a similar character to the British Government. On the 25th February the two Prime Ministers met at Boulogne and announced their agreement ' on the political guarantees to be secured in order to prevent encroachments either on the rights of the League of Nations or on

[1] Text in French Yellow Book : *Documents diplomatiques : Conférence économique internationale de Gênes, 9 avril–19 mai, 1922.* (1922, Paris, Imprimerie nationale.)

the treaties signed in *France* [1] after the Peace or on the rights of the Allies to Reparation'. The date of the Genoa Conference was postponed to the 10th April, and there was to be a preliminary meeting of Allied economic experts in London. The experts duly met from the 20th to the 28th March and presented a detailed report [2] in the form of draft resolutions under the following headings:

Part I.—Russia.

Section I.—Preamble.
Section II.—Conditions under which foreign enterprise and capital can be enlisted for the restoration of Russia.
Chapter I.—Liquidation of past obligations.
Chapter II.—Provisions for the future.
Section III.—Measures by which the speedy recovery of Russia would be facilitated.

Part II.—Restoration of Europe.

Section I.—Financial provisions.
Section II.—Economic provisions.
Section III.—Transport provisions.

On the 6th April, M. Poincaré repeated and reinforced his stipulations in a memorandum of instructions to M. Barthou, the head of the French delegation to Genoa.[3] The question of disarmament was not to be raised; [4] there must be no attempt to reconstitute a Supreme Council with the inclusion of Germany; there must be no political committee specially entrusted with the study of Russian affairs.

> If, on any one of the important questions which I have mentioned, your protests had no effect and the Conference went on its way, you would be good enough to refer the matter immediately to the Government and we should have to consider whether you can continue to take part. In this case it will be your business, by the influence which you may be able to exercise on foreign delegations, to act in such a way that our enforced gesture is not isolated.

(*β*) *The Attitude of the East European States.* Meanwhile, the members of the Little Entente had held a preliminary meeting of

[1] M. Poincaré's memorandum of the 1st February shows that this limitation was designed to exclude the treaties between Russia and the Border States, which might contain awkward precedents in regard to the recognition of the new state of affairs in Russia.

[2] Text in French Yellow Book, Doc. 4; and in British Blue Book: *Papers relating to International Economic Conference, Genoa, April–May 1922* (*Cmd.* 1667 of 1922), p. 5.

[3] French Yellow Book, Doc. 6.

[4] 'M. Lloyd George s'est engagé à Boulogne, de la manière la plus formelle, à ne pas la poser.'

their own at Belgrade, after which M. Beneš had proceeded to Paris and London and had conferred with M. Poincaré and Mr. Lloyd George. He recorded the results of these negotiations in a memorandum,[1] in which he first incorporated M. Poincaré's provisos that neither Reparation nor the Peace Treaties should be discussed, and that the participation of Soviet delegates at Genoa should not imply the recognition of the Soviet Government, and then went on to envisage (in agreement with Mr. Lloyd George) the prompt resumption of trade with Russia, and a general resolution, or better still a convention, pledging the members of the Conference to non-aggression. Czechoslovak, Jugoslav, Rumanian, and Polish representatives were to participate semi-officially in the Conference of Experts in London.

In March, Poland and the three Baltic states of Latvia, Esthonia, and Finland held another preliminary meeting in Warsaw, and concluded a convention[2] in which they reciprocally confirmed the recognition of their respective Treaties of Peace with Soviet Russia, promised to communicate to one another the text of any future treaties concluded between any one of them and another party, provided for the settlement of all disputes among themselves by arbitration, and agreed that this convention should run, in the first instance, for five years from the date of the latest ratification. This Conference at Warsaw was followed up by a meeting at Riga between the Governments represented at Warsaw and the Soviet Government of Russia. In the 'conclusions' of this meeting (embodied in a protocol[3] dated the 30th March, 1922) the sanctity of the local Peace Treaties was reaffirmed, the restoration of commercial relations was advocated, and the establishment of neutral zones along the frontiers was suggested as a first step towards disarmament.

(γ) *The Attitude of Russia.* The Soviet Government was anxious to resume economic relations with the countries of Europe, partly under pressure of the internal economic and financial crisis and partly because it hoped, as M. Poincaré feared, that economic agreements might lead on to political recognition. On the 15th March M. Chicherin addressed a note[4] to the Italian, British, and French Governments in which he declared that the world could not dispense with the economic co-operation of Russia; that all Governments

[1] *Résumé* in *L'Europe Nouvelle*, 4th March, 1922.
[2] Dated the 17th March. Text in *L'Europe Nouvelle*, 8th April, 1922.
[3] Text in *loc. cit.* See also III (ii) 2 (*d*) below.
[4] English text published as a British White Paper (*Cmd.* 1637 of 1922).

participating in the Genoa Conference ought to meet on an equal footing; that the European Governments, in their preliminary conferences, appeared to be prejudging the issues; and that a campaign of anti-Soviet propaganda was being carried on in the Western Press. The note concluded, however, with an attempt to show that the Soviet Government had recently brought its legislation into conformity with the essential requirements of trade on the Western basis of private enterprise; and this was set forth in greater detail in a second note of the 30th March.[1]

(δ) *The Attitude of the United States.* The decision to invite the participation of the United States at Genoa had been taken on the 6th January by the Supreme Council. In a note dated the 8th March,[2] the American Government declined on two grounds: that it would not be found possible to prevent the proposed Conference from trenching upon political questions, and that the economic recovery of Russia depended less upon international action than upon the internal policy of the Soviet Government.

(*b*) *The Proceedings at Genoa.*[3]

At the first Plenary Session of the Conference held on the 10th April, 1922, it was decided to appoint four Commissions to deal with the various questions set out in the agenda.[4] The subjects were allotted to the several Commissions as follows: No. 1 Commission, items 1, 2, and 3—examination of the methods of putting into practice the principles contained in the resolution reached at Cannes on the 6th January, 1922, establishment of European peace on a firm basis, essential conditions for re-establishment of confidence without injury to existing treaties; No. 2 Commission, item 4—financial subjects; No. 3 Commission, item 5—economic and commercial subjects; No. 4 Commission, item 6—transport.

The three last Commissions, whose terms of reference were of a technical character, all reported in due course;[5] but whether their labours would be fruitful depended upon the fortunes of the First Commission, to which the crucial problems of general interest

[1] Text in *L'Europe Nouvelle*, 8th April, 1922.
[2] Text in *L'Europe Nouvelle*, 18th March, 1922.
[3] See *H. P. C.*, vol. vi, Ch. III, Part 2, §§ 15–17.
[4] The agenda referred to is the outline agenda approved at the Cannes Conference and published in *Cmd.* 1621 of 1922, pp. 4 and 5.
[5] The report of the Second Commission was formally adopted by the Conference on the 3rd May. The report of the Fourth Commission, which was little more than an endorsement of the results of the Barcelona Conference on Communications and Transit (10th March–20th April, 1921), was qualified by a series of reservations on the part of different states.

had been assigned. This First Commission met and appointed a Sub-Commission on Russian Affairs (upon which Sweden, Switzerland, Poland, and Rumania were represented, besides Russia, Germany, Belgium, and the three Principal Allied Powers). On the 11th April this Sub-Commission received the report of the preliminary London Conference of Experts, but on the demand of the Russian delegation the examination of this report by the Sub-Commission was adjourned, and it was thereafter pursued in informal discussions between the three Principal Allied Powers and Belgium on the one side and the Russians on the other.

These negotiations were interrupted by the signature of a separate Russo-German Treaty at Rapallo on the 16th April, which was made public the next day.[1] The terms of this Treaty were not technically incompatible with the agenda of the Conference, and might be regarded theoretically, as the Germans contended, in the light of a contribution to the objects for which the Conference had been convened. The principal points were a mutual renunciation of Reparation; a renunciation on the German side of compensation for losses incurred by German nationals in Russia in consequence of the socialization of private property;[2] a resumption of consular and diplomatic relations; a mutual application of the 'most favoured nation' principle; and a mutual facilitation of trade. On the 18th April the Russian delegation denied in terms that there were any unpublished articles or that the Treaty had been accompanied by a secret military convention; but, from the point of view of the Allied Powers, the sting lay in the fact that a separate Russo-German agreement should have been negotiated at all. It seemed like the first positive step towards that 'reversal of alliances' which was to be expected *a priori* after a general war with a decisive military issue, and it at least portended, if it did not actually constitute, a counter-move to the military conventions between France, Belgium, and Poland which had been negotiated since the coming into force of the Treaty of Versailles.[3] There therefore followed a somewhat acrimonious exchange of notes between the Allied Powers represented at the Conference and Germany.[4] The Allies accused the Germans of having broken the spirit if not the letter of the Cannes invitation by having, 'behind the backs of their colleagues, concluded in secret a treaty with Russia on the very

[1] English translation of text in *Cmd.* 1667 of 1922, p. 51.

[2] 'Provided that the Soviet Government does not satisfy similar claims of other states.'

[3] See II (i) 2, and III (ii) 3 (*f*) below.

[4] Printed in *Cmd.* 1667 of 1922, pp. 53 sq.

questions which they had undertaken to consider in loyal conjunction with the representatives of other nations'. The Germans, on their side, accused the Allies of having 'initiated separate negotiations with Russia on the basis of the London Experts' proposals', the acceptance of which 'would have led to oppressive demands (upon Germany) for Reparation from Russia'. The incident was closed by the withdrawal of the German delegation 'from deliberations on questions similar to those already settled between Germany and Russia', and by a reservation (inserted at M. Barthou's instance in the concluding note from the Allies) of 'the right to declare null and void any clauses in the Russo-German Treaty which may be recognized as contrary to existing treaties'—a gesture which could hardly affect the validity of the Treaty of Rapallo as between the contracting parties themselves.[1]

This incident adversely affected the fortunes of the Conference by increasing the intransigeance of M. Barthou, who had been spurred on from the outset by the instructions of M. Poincaré and had had a sharp passage of arms with M. Chicherin at the first plenary session. Thus the atmosphere was most unfavourable when, on the 25th April, Mr. Lloyd George broached to the French delegation his project for a Pact of Non-Aggression; but the crisis of the Conference arose in the Sub-Commission on Russian Affairs over the attempt to secure a common draft of proposals to be presented to the Russian delegation. The Belgians insisted upon the integral restitution of foreign-owned private property in Russia; and, as a demonstration of solidarity with Belgium, the French delegation reserved definitive approval of the draft until the receipt of further instructions from their Government, though, subject to this, they agreed that the document should be presented to the Russians.[2] On the 3rd May the memorandum was accordingly presented, with the French reservation, in the name of the Powers represented on the Sub-Commission. Meanwhile M. Barthou visited Paris and returned fortified with a second memorandum of instructions (dated the 5th May) from M. Poincaré, who identified himself unreservedly with the Belgian standpoint in regard to private property in Russia and fenced in the proposed Pact of Non-Aggression with a new series of limiting conditions.[3] The difficulties were increased by the terms of the Russian reply, although

[1] In a *communiqué* of the 20th April, the Reparation Commission also reserved its attitude towards the Rapallo Treaty.

[2] Text, including M. Barthou's reservation, in the French Yellow Book and in *Cmd.* 1667, p. 28.

[3] Text in the French Yellow Book.

the British and Italian delegations had persuaded the Russians to modify their first draft.[1] The document was considered on the 13th May by the Sub-Commission on Russian Affairs, and Mr. Lloyd George made several proposals for extricating the Conference from the *impasse* at which it had arrived. These proposals were opposed by M. Barthou, but were carried against him by the combined weight of Italy, Rumania, Switzerland, Japan, Poland, and finally Belgium. They were given a more precise shape on the 14th May at a meeting of the four Principal Allied Powers and Belgium.[2] It was recommended that the agenda of the Genoa Conference should be remitted to a Mixed Commission of Experts ;[3] that there should be a preliminary meeting between the experts of the European States before they negotiated with the Russian experts ; that the United States should, and Germany should not, be invited ; and that the two stages of the Experts' Conference should begin on the 15th and the 26th June respectively at The Hague. On the 15th May these recommendations were endorsed by the Sub-Commission for Russian Affairs of the First Genoa Commission, and the next three days were spent in negotiations with the Russian delegation, in which M. Barthou and his Belgian colleague did not participate.[4] On the 18th the programme for the Hague Conference, now drafted in a series of articles in agreement with the Russian delegation, was approved by the First Commission in plenary session (the French and Belgians again abstaining), and on the 19th the same text was approved orally in a plenary session of the Conference as a whole, in which the French and Belgians took part. Oral adhesion was given at the same time to the Pact of Non-Aggression.

During the six weeks that the Conference had lasted, a number of local questions had been brought to its attention, but on the 10th May the representatives of the four Principal Allied Powers and Belgium had dismissed all non-European petitions and had referred two questions regarding Hungary and the Saar Basin to the League of Nations. On the 21st April, however, a special Committee of the Conference had considered the economic situation in Austria, and the Conference also took note of a communication,

[1] Final text in the French Yellow Book and the British Blue Book.
[2] Minutes in the French Yellow Book and the British Blue Book.
[3] This had been suggested in the Russian note of the 11th May.
[4] On the 16th a telegram was received from Washington declining the invitation to the Hague Conference (text in *L'Europe Nouvelle*, 27th May, 1922).

dated the 9th May, from the Vatican requesting that any agreement concluded between the European States and Russia should explicitly guarantee liberty of conscience,[1] liberty of worship, and the restoration of property belonging to religious corporations.

(c) *The Experts' Conference at The Hague, 26th June–20th July*, 1922 [2]

This Conference was no more successful than the Genoa Conference, of which it may be regarded as the last act, in bringing about a settlement between the European States and Russia. The parties eventually dispersed with a confession that, on the question of foreign-owned private property in Russia, no agreement could be reached.

The history of the Genoa Conference has been given at relatively greater length than that of its predecessors, partly because its agenda do not fall under other heads such as Disarmament or Reparation and partly because it marked the failure of the first attempt to find an issue out of the blind alley into which the Reparation Problem had led the statesmen of Europe during the course of the year 1921. Mr. Lloyd George had hoped to place the Reparation Problem on a new footing by restoring the prosperity of Europe, without interfering with the provisions of the Treaty of Versailles as they were interpreted by the British Government. M. Poincaré, on the other hand, proposed to secure Reparation by coercing Germany under the terms of the Treaty of Versailles as interpreted by French, but not by British, jurists. As Mr. Lloyd George's efforts were gradually brought to a standstill, in spite of the energy and initiative which he displayed in fighting this losing battle, M. Poincaré began to unmask his batteries. A discordant note was struck at Genoa by the report of the celebrated speech [3] which the French Prime Minister delivered on the 24th April at Bar-le-Duc, in those war-stricken north-eastern marches of France where the speaker himself had been born :

> As for Reparation, on which depends the fate not only of the devastated regions but, by repercussion, of the whole of France, we are approaching a day of reckoning which, as M. Klotz indicated only yesterday in the Somme, is of exceptional importance and may even prove decisive. Before the 31st May next, Germany is under the obligation to conform

[1] For all citizens of Russia and all foreign residents.
[2] See *H. P. C.*, vol. vi, Ch. III, Part 2, § 17.
[3] Text in *L'Europe Nouvelle*, 20th May, 1922.

to the programme drawn up by the Reparation Commission, that is to say, she must commit herself to imposing a whole series of new taxes and to accepting inter-Allied control of her finances. If Germany resists and if at the appointed hour the Commission declares a voluntary default, it will be the Allies' right, and consequently their duty, to take measures for the protection of their interests, which it would no doubt be infinitely desirable to adopt and to apply by a common agreement among themselves, but which by the terms of the Treaty can, in case of need, be taken by each interested nation, and which Germany is obliged by the Treaty not to consider as acts of war. We ardently desire to maintain, on this vital occasion, the co-operation of all the Allies, but we will defend the French cause in complete independence and we will not let fall one of the weapons given us by the Treaty. We will not suffer our unhappy country to succumb beneath the weight of Reparation, next-door to a Germany which would not consent to make the necessary effort to free herself from her debt.

That menace dominated the international situation during the remainder of the year 1922, and the three following conferences (held respectively in London on the 7th–14th August and the 9th–11th December, 1922, and in Paris on the 2nd–4th January, 1923) simply marked the final stages in a rearguard action fought by the British Government in order to postpone the execution of M. Poincaré's threats. Since they were exclusively concerned with Reparation, they are dealt with under that head below ; but they must be mentioned here because they closed the series of international conferences that had succeeded the Armistice of 1918. The remainder of the period treated in the present volume was occupied by M. Poincaré's attempt to settle the Reparation Problem on his own lines, without British co-operation. It was not till the 30th November, 1923, that a unanimous decision of the Reparation Commission to appoint two Expert Committees in order to inquire into the financial condition of Germany marked the first approach to an admission that the policy of M. Poincaré, like the policy of Mr. Lloyd George, had failed.

(iii) The League of Nations.

1. Sessions of the Council and the Assembly

The genesis and constitution of the League of Nations have been described in the *History of the Peace Conference*,[1] and the activities of some of its organs during a part of the period with which the present volume is concerned have also been recorded in the same

[1] Vol. vi, Ch. VI.

place.[1] Other functions and activities of the League are dealt with in the preceding introductory volume [2] or later under different heads; but it may be convenient at this point to tabulate the sessions of the Council and Assembly of the League from the beginning down to the end of the year 1923 and to indicate the principal matters dealt with on each occasion. These meetings resembled those discussed above in section (ii) inasmuch as they were periodical international conferences between the representatives of sovereign states, but whereas the occasional Conferences of Prime Ministers and the standing Conference of Ambassadors were concerned with business arising out of the War of 1914 and the subsequent Peace Treaties, the League was primarily designed as an organization for dealing with certain permanent international problems which would not cease to exist if and when the problems of the peace settlement received their final solution.

So clear was this distinction in the minds of the statesmen in Paris that questions arising out of the War and the peace settlement were originally excluded, in principle, from the League's field of operations; [3] and the Council of the League appear to have acted on this principle in ignoring the appeal which was addressed to them, on the 10th March, 1921, by the German Government against the sanctions imposed on Germany by the Allies in connexion with the Reparation Question. On the other hand, pre-war international organizations of a permanent character, like the Postal Union, were invited to affiliate themselves to the League, while the League itself was to develop subsidiary organs to perform new permanent international functions. Under the stress of the post-war situation, however, this logical distinction broke down. The Supreme Council, which had originally shown an inclination to restrict the field of the League—partly, perhaps, out of jealousy on behalf of its own prerogatives and partly in order to save the League from being unduly burdened in its infancy—was driven by the increasing difficulties of its task to try every expedient and summon every

[1] e. g. the history of the International Labour Organization is carried down to the Geneva Conference of 1922 and that of the mandatory system down to the second meeting of the Permanent Mandates Commission in July, 1922.

[2] *The World after the Peace Conference.*

[3] Theoretically the League, like the Reparation Commission or the Rhineland Commission, was a body brought into existence by the Peace Treaties in order to carry out certain of their provisions, since each of the four European Peace Treaties embodied the Covenant. Yet it was differentiated from such bodies (i) by its terms of reference and (ii) by its membership. A number of neutral states were original members, and thus the League was not an exclusively inter-Allied body at any stage of its existence.

assistance. Already, in framing the Treaty of Versailles, the Supreme Council had assigned to the League the responsibility for supervising one permanent territorial administration in the Free City of Danzig and another temporary régime in the Saar Basin, although both these executive tasks arose directly out of the peace settlement between the Allied Powers and Germany. The League had hardly been in existence for three months when it was requested by the Supreme Council to undertake direct responsibility for a mandate in Armenia ;[1] and its action in declining this impossible task did not deter the Supreme Council in August, 1921, from referring to the League the problem of partitioning Upper Silesia between Germany and Poland on the basis of the plebiscite results. This event was in some sense a turning-point in the relations between the League and the Supreme Council ; for, whereas the problem of Armenia had been an embarrassment to the Allied Powers of which they were anxious to divest themselves, the problem of Upper Silesia affected their vital interests and was a touchstone of their relations with one another.

The transference of such business from the Supreme Council to the League, which became more frequent as time went on, gave rise to complicated diplomatic situations, but did not, as a rule, involve any technical conflict of jurisdiction. The difference of opinion regarding Upper Silesia, for example, while it certainly arose over the execution of the Versailles Treaty, was not a difference between the Allied Powers on the one hand and Germany on the other (in which case it could have been settled by the Conference of Ambassadors or in the last resort by the Supreme Council, unless Germany had appealed to the Council of the League under Article 13 of the Covenant). It was a difference between the Allies themselves which, *ex hypothesi*, could not be settled by an inter-Allied body, and it was referred to the Council of the League under Article 11, § 2, and Article 13 of the Covenant, as any difference between any Governments might have been in a case where no specific method of settlement was available. In thus referring the Upper Silesian problem to the Council of the League, the Supreme Council undertook to accept the League's award in advance ; yet that award, when given and accepted, could still only receive juridical effect through being adopted by the Ambassadors' Conference—the organ of the Supreme Council to which the task of executing the text of the Peace Treaties had been assigned, and which had only required the assistance of

[1] See above, p. 10.

the League in this case because it had been unable to arrive at a unanimous decision on its own account.

In some cases, however, the juridical position itself was obscure. What, for example, was the respective competence of the Ambassadors' Conference and the League of Nations in regard to the occupation of the Greek island of Corfù by Italian naval and military forces in September, 1923 ? Was it for the Conference of Ambassadors to deal with this incident on the ground that it had arisen out of the murder of an officer belonging to one of the Principal Allied Powers who was engaged in demarcating the frontiers of Albania as the Conference of Ambassadors' executive agent ? Or did the incident fall within the province of the League of Nations as constituting a threat to peace ? [1]

Some light may be thrown upon the relations between the League of Nations, the standing Conference of Ambassadors, and the occasional Conferences of Prime Ministers and Foreign Ministers by a comparison of the following table with that printed on pp. 7–8 above.

SESSIONS OF THE ASSEMBLY AND THE COUNCIL OF THE LEAGUE OF NATIONS, 1920–3

Session.	*Date.*	*Place.*	*Principal Matters dealt with.*
	1920		
Council : 1st	16 Jan.	Paris	Commission for delimitation of Saar frontiers appointed.
,, 2nd	11–13 Feb.	London	Appointment of Saar Governing Commission, High Commissioner for Danzig and Jurists' Committee to draft scheme for Permanent Court of International Justice.
,, 3rd	13 March	Paris	Typhus campaign in Eastern Europe ; Commission of Investigation to Russia.
,, 4th	9–11 April	Paris	Status of Armenia.
,, 5th	14–19 May	Rome	German protest regarding Eupen and Malmédy ; Permanent Advisory Commission on Military, Naval, and Air Questions constituted ; Brussels Financial Conference decided on ; Commission of Investigation to Russia.
,, 6th	14–16 June	London	Persian appeal for intervention against Russian aggression refused.
,, 7th	9–12 July	London	Aaland Islands (Jurists' Commission appointed).

[1] For further discussion of this particular problem see III (iii) 11 below.

Session.	*Date.*	*Place.*	*Principal Matters dealt with.*
	1920		
Council: 8th	30 July–5 Aug.	San Sebastian	Protest from Hijaz against alleged French action in Syria; constitution of Permanent Court (Jurists' report); League's obligations regarding mandates.
„ 9th	16–20 Sept.	Paris	Polish-Lithuanian dispute over Vilna; Aaland Islands (Council competent); transfer of Eupen and Malmédy to Belgium recognized.
„ 10th	20–28 Oct.	Brussels	League's obligations regarding protection of minorities; Aaland Islands (Commission of Investigation appointed); Permanent Mandates Commission appointed.
„ 11th	14 Nov.–18 Dec.	Geneva	[*Meeting held concurrently with Assembly.*] Amendments to Covenant; Permanent Court (statute approved); 'C' mandates approved.
Assembly: 1st	15 Nov.–18 Dec.	Geneva	Assembly procedure; amendments to Covenant (special committee to be appointed); relations between Assembly and Council, and between Assembly, Council, and technical organizations; method of selection of non-permanent members of Council; Permanent Court (draft statute approved with amendments).
	1921		
Council: 12th	21 Feb.–3 March	Paris	Amendments to Covenant (special committee appointed); mandates (U.S. objections); Vilna dispute (passage of international force across Switzerland; direct negotiation between Lithuania and Poland); appointment of commission of inquiry into deportations in Near East and of Temporary Mixed Commission on Disarmament.
„ 13th	17–28 June	Geneva	Aaland Islands (decision given); Vilna dispute (preliminary basis for discussion approved); Albanian frontiers (competence of Conference of Ambassadors); Saar Basin.
Council: Extraordinary	29 Aug.–1 Sept.	Geneva	Upper Silesia (invitation to draw boundary line accepted; special committee appointed to make preliminary investigations).
Council: 14th	30 Aug.–12 Oct.	Geneva	[*Meeting held concurrently with Second Assembly.*] Saar Basin (appointments to Governing Commission); Vilna dispute (project for settlement approved).
Assembly: 2nd	5 Sept.–5 Oct.	Geneva	Permanent Court (Judges elected); Armaments (draft treaty to be prepared; international conference on private manufacture to be held;

Session.	*Date.*	*Place.*	*Principal Matters dealt with.*
	1921		
			ratification of St. Germain convention recommended); amendments to Covenant; election of non-permanent Members of Council; allocation of expenses; Esthonia, Latvia, and Lithuania admitted; Vilna dispute (project for settlement recommended to the two countries); Tacna-Arica dispute (Bolivia and Chile to reopen direct negotiations); committee of inquiry to Albania; status of Eastern Galicia.
Council: Extraordinary	12 Oct.	Geneva	Upper Silesia (recommendations for partition adopted).
Council: 15th	16–19 Nov.	Paris	Albania (advance of Jugoslav forces).
	1922		
,, 16th	10–14 Jan.	Geneva	Vilna dispute (withdrawal of military mission of control); Albania (Commission of Inquiry's report); Eastern Karelia (Council prepared to examine question); Aaland Islands (guarantee obligations accepted); Upper Silesia (progress of German-Polish negotiations).
,, 17th	24–8 March	Paris	Genoa conference; appointments to Temporary Mixed Commission on Armaments; Russian refugees; Warsaw Anti-Epidemic Conference; Saar Basin (constitution of consultative council and examining committee).
,, 18th	11–17 May	Geneva	German colonists in Poland; minorities in Upper Silesia; Albania (one member of Committee of Inquiry to remain); Vilna dispute (provisional line of demarcation and amnesty for political offences recommended).
,, 19th	17–24 July	London	Competence of International Labour Office referred to Permanent Court; reduction of armaments; 'A' and 'B' mandates approved; Bulgarian marauding bands.
,, 20th–22nd	31 Aug.–4 Oct.	Geneva	[*Meetings held concurrently with Third Assembly.*] Austrian reconstruction (scheme drafted; protocols signed); non-permanent members (number increased); permanent representation on Governing Body of International Labour Office; Albania (financial adviser); German colonists in Poland (Jurists' Committee's report); Jews in Hungary; Holy Places in Palestine; Transjordania (Palestine mandate); Hungarian frontiers.

Session.	*Date.*	*Place.*	*Principal Matters dealt with.*
	1922		
Assembly : 3rd	4–30 Sept.	Geneva	Non-permanent members of Council ; protection of minorities ; disarmament ; amendments to Covenant ; Hungary admitted ; allocation of expenses ; Bondelzwarts rebellion ; Vilna dispute (treatment of non-Polish population) ; cessation of hostilities in Near East.
	1923		
Council : 23rd	29 Jan.–3 Feb.	Paris	Austrian reconstruction (progress) ; Czechoslovak-Hungarian frontier ; Vilna dispute (temporary demarcation line) ; Greek refugees (loan) ; questions regarding Polish Minorities Treaty referred to Permanent Court.
,, 24th	17–23 April	Geneva	Austrian reconstruction (long-term loan) ; mandated territories (national status of native inhabitants) ; Hungarian-Rumanian expropriation dispute ; Albania (financial adviser appointed) ; Vilna dispute (competence of Conference of Ambassadors to determine frontier) ; Bulgarian armaments (dispute between Bulgaria and Conference of Ambassadors) ; Czechoslovak-Hungarian frontier (arbitral decision announced) ; Eastern Karelia (referred to Permanent Court) ; Greek refugees (sub-committee appointed).
,, 25th	2–7 July	Geneva	Saar Basin (inquiry into administration) ; Hungarian-Rumanian expropriation dispute ; German colonists in Poland (question referred to Permanent Court) ; Amendments to Covenant ; Greek refugees (conditions for co-operation).
,, 26th	31 Aug.–29 Sept.	Geneva	[*Meeting held concurrently with Fourth Assembly.*] Italian occupation of Corfù ; Czechoslovak-Polish boundary dispute (legal questions referred to Permanent Court) ; exchange of Greek and Turkish populations ; frontiers in British and Belgian mandated areas (Ruanda) ; mandates for Palestine and Syria (coming into force announced) ; German colonists in Poland ; protection of minorities (procedure modified) ; Greek refugees (scheme approved) ; Hungarian reconstruction (collaboration decided on).

Session.	*Date.*	*Place.*	*Principal Matters dealt with.*
	1923		
Assembly : 4th	3–29 Sept.	Geneva	Corfù ; Irish Free State admitted ; election of non-permanent members of Council ; Amendments to Covenant ; Armaments (Draft Treaty of Mutual Assistance).
Council : 27th	10–20 Dec.	Paris	Hungarian reconstruction (protocols approved) ; Saar Basin (term of office of Governing Commission prolonged) ; German colonists in Poland ; Memel (Commission of Investigation appointed) ; Czecho-slovak-Polish frontier dispute (Permanent Court's advisory opinion accepted by both parties).

Note on the Arrangement in this Volume of Affairs in which the League of Nations was concerned

From the preceding table it will be seen that, during the first four years of its existence, the League extended its range of action over almost the whole field of international relations, and therefore it has seemed best in this Survey to treat its various activities as far as possible in the context to which they belong, rather than to abstract them from other international affairs as though they were something academic and apart, with no vital relation to the common fortunes of Mankind.

On this principle the preceding calendar of the sessions of the Council and the Assembly has been placed in juxtaposition to the review of other international conferences, while an account of the International Financial Conference held, under the auspices of the League, at Brussels follows immediately below. The administration of the Saar Basin is dealt with in Part II. The part played by the League in the problems of the right of way through the Kiel Canal, the Aaland Islands, East Karelia, Vilna, Memel, Danzig, Upper Silesia (since the partition), German West Hungary, the reconstruction of Austria, the frontiers of Albania, and the Janina Murders is noticed in Part III. The opinion of the Permanent Court of International Justice on the status of British subjects in certain French protectorates in North-West Africa is recorded in Part IV. The history of Mandates is also treated regionally—though, since the history of the Middle Eastern ' A ' Mandates and the Pacific ' C ' Mandates during the period under review has been given already in Volume VI of the *History of the Peace Conference of Paris*, this is passed over in the present volume, so that little will be found on the subject of Mandates here except in Part V, which deals with Tropical Africa, and in which the activities of the League for the suppression of slavery and of the Arms Traffic are also described.

By the terms of the Covenant the League and its Members were required to concern themselves with the reduction of armaments (Art. 8) and also (Art. 23) with hygienic and humanitarian questions, and with problems of communications and transit, which were permanent international interests of a constructive kind. The field of action assigned to the League under Article 23 of the Covenant was that in which organized international co-operation had been increasing most rapidly during the half-

century immediately preceding the War of 1914, and the continuity of the League with these older organizations for particular constructive purposes was recognized in the provision (Art. 24) that not only ' all international bureaux and all commissions for the regulation of matters of international interest hereafter constituted ' should ' be placed under the direction of the League ', but also ' all international bureaux already established by general treaties, if the parties to such treaties consent '. It was originally intended to include in the present volume three sections dealing respectively with the Limitation of Armaments, the Hygienic and Humanitarian Work of the League, and the International Organization of Communications and Transit during the four years under review ; but lack of space has made it necessary to postpone these subjects in their entirety for treatment in the *Survey of International Affairs for* 1925.

2. The International Financial Conference at Brussels, 24th September–8th October, 1920

During its session of the 11th–13th February, 1920, the Council of the League of Nations resolved that the League should convene an international conference at the earliest possible date ' with a view to studying the financial crisis and to look[ing] for the means of remedying it and of mitigating the dangerous consequences arising from it '. The organization of this conference was entrusted to an advisory committee appointed by the Secretary-General of the League ; and the scheme received the benediction of the Supreme Council of the Allies, on the 8th March, in the form of an economic declaration, in which, after a comprehensive survey of the actual situation, a series of eight draft recommendations was presented for the Conference's consideration. The last of these was framed as follows : [1]

> The Powers represented at the Conference have taken under consideration Article 235 and cognate articles of the Treaty of Versailles, and the passages in the letter addressed on the 16th June, 1919, by the Supreme Council to the German Peace Delegates which contemplate that Germany shall make proposals for fixing the total of the payments to be made by her by way of Reparation, and that facilities may be given her to obtain necessary food-stuffs and raw materials in advance of payments being made by way of Reparation. The Powers are agreed that it is desirable in the interest alike of Germany and of her creditors that the total to be paid by her for Reparation should be fixed at an early date. They observe that under the Protocol to the Treaty a period of four months from the signature of the Treaty was provided during which Germany should have the right to make proposals of the kind referred to, and they are agreed that in the circumstances as they exist to-day such period should be extended.[2]

[1] Text in *International Financial Conference, Brussels, 1920 : Paper No. II.*
[2] For the letter of the 16th June, 1919, see II (iv) below.

A systematic co-operative effort for the economic reconstruction of Europe could not, in fact, be set on foot until the Reparation Question had been placed upon some reasonable basis, and this truth was recognized at the outset by the organizers of the Brussels Conference. 'The financial situation could not adequately be discussed without dealing with the situation of Germany. . . . On the other hand, the Entente Powers were naturally unwilling to permit the Conference to be used as a tribunal for a reconsideration of the Treaty of Versailles.' [1] Hence the Conference, which it had originally been intended to hold in May, was postponed until after the meeting between Allied and German statesmen at Spa,[2] in the hope that the Reparation Question would be settled on that occasion. The disappointment of this hope, and of the similar hopes which rose and sank so many times during the following years,[3] inevitably reacted upon the fortunes of the Brussels Conference and diminished its opportunity to achieve practical constructive results.

The representatives of thirty-nine states (including twenty-seven Members of the League of Nations, eight ex-neutrals, four ex-enemies—Germany, Austria, Bulgaria, and Hungary—and the United States of America) eventually met at Brussels on the 24th September–8th October, 1920. The ample agenda which the Advisory Committee had prepared were distributed among four Commissions—the first on Public Finance, the second on Currency and Exchange, the third on International Trade, and the fourth on International Credits—and the Conference, before it dispersed, adopted a number of resolutions which the Commissions submitted to it.[4] The majority of these resolutions were simply authoritative statements of recognized economic and financial truisms to which no Government would have ventured to refuse lip-service, although few Governments at that time were able or willing to put them into practice. For example, the Public Finance Commission pointed out, on the basis of the information laid before the Conference, that three out of every four of the countries represented and eleven out of twelve of the European countries anticipated a budget deficit in the current year, and it was easy to demonstrate that inflation

[1] See the League of Nations publication, *International Financial Conference: Report of the Advisory Committee.*

[2] See I (ii) above.

[3] See II (iv) below.

[4] Texts in League of Nations Document C. 10. M. 7, 1923, II, *Brussels Financial Conference 1920: The Recommendations and their Application: A Review after Two Years*, vol. i, Appendix 1.

was a bar to increase of production and that increase of production was essential for the restoration of prosperity. The practical problem was to provide the technical and psychological bases for reform, and the Conference succeeded in making several definite contributions towards solving it. In the first place it considered a scheme for international credits which had been elaborated by a member of the Advisory Committee, M. ter Meulen (Netherlands),[1] and passed a resolution (iv. 8) in favour of carrying it out. It also drew attention (iv. 12 (7)) to the desirability of an international understanding for the avoidance of double taxation, which was an obstacle to the placing of investments abroad ; and in its concluding resolution it emphasized the fact that all, or almost all, of the many proposals submitted for its consideration required at some stage the active intervention of the League of Nations, and suggested the desirability of extending to the problems of finance that international co-operation which the League of Nations had inaugurated.

The object of the ter Meulen Scheme was to enable ' impoverished nations, which under present circumstances are unable to obtain accommodation on reasonable terms in the open market, to command the confidence necessary to attract funds for the financing of their essential imports '. For this purpose it was proposed that an International Commission should be constituted under the auspices of the League (the Council appointing the Commissioners) to which the Governments of countries desiring to participate should notify what specific assets they were prepared to assign as security for commercial credits to be granted by the nationals of exporting countries. The Commission was then, of its own authority, to determine the gold value of the credits which it would approve against the security of these assets, and the participating Government was to be authorized to prepare bonds—the service of which was to be secured out of the revenue of the assigned assets—to the gold value approved and to loan these bonds to its own nationals for use by them as collateral security for importations. When making application to his Government for a loan of these bonds, the importer must furnish proof that he had previously obtained from the International Commission express permission to enter into the transaction for which the bonds were to be given as collateral, and he was then to pledge these bonds to the exporter in a foreign country for the period of the transaction. On the completion of the transaction, the exporter was to return the bonds to the importer ; the latter was to return them to his Government ; and

[1] Text in *op. cit.*, p. 229.

they were then to be cancelled and replaced by other bonds up to an equivalent amount. In the event of the importer not fulfilling the terms of his contract, the exporter would be free to hold the bonds until maturity or to sell them, subject to a first option to repurchase them being given to the issuing Government. The consent of the Commission to the utilization of this machinery was to be accorded as a rule only for the import of raw materials and primary necessities, and a notification of each particular transaction was to be registered with the Commission. The assigned assets were to be administered in the first instance by the participating Government or by the Commission as the latter might determine, and the Commission was to have the right at any time to propose the transfer of assigned assets from the keeping of a participating Government to its own hands or vice versa, the decision in all cases lying with the Council of the League.

The report of the Brussels Financial Conference came before the Council at its session of the 14th November–18th December, 1920. At the opening meeting, it was decided, on the proposal of M. Hymans (Belgium), to proceed at once to the formation of the Financial and Economic Sections of the League Organization, and a Provisional Financial and Economic Committee was constituted on the spot. This Committee held meetings at Geneva from the 25th November to the 10th December, and they were able to submit to the Council, before the termination of that session, a series of reports,[1] in one of which they recommended certain experimental steps for the execution of the ter Meulen Scheme. In presenting the scheme they introduced several modifications, the most important of which was that the question whether the assigned assets should be held in the first instance by the participating Government or by the proposed International Commission was to be decided not by the Commission on its own authority but by a majority vote of the Council on the proposal of the Commission. In order to give practical effect to the scheme, they asked for authority to secure the services of an organizer to carry out the preparatory work, and this was sanctioned by the Council on the 14th December, with the reservation that the organizer should not be given administrative powers at any stage, pending the constitution of the International Commission.

In the sequel, the ter Meulen Scheme, in the form and on the scale intended by its author, proved too ambitious to be brought

[1] Texts in *League of Nations Official Journal* (hereafter cited as *L. N. O. J.*), January–February, 1921.

into practical operation ; but the principles contained in it provided one of the bases for the successful reconstruction of Austria [1] and for the other international reconstruction schemes which were carried out later on the Austrian model. The ter Meulen Scheme was therefore fruitful in the long run, and the same may be said of the work of the Brussels Conference in general. The Conference may not (and indeed could not, in the adverse political circumstances) have achieved the immediate practical results which its promoters had expected of it, but in several directions it broke new ground. To begin with, it was the first conference after the War of 1914 in which the representatives of Germany and her allies were invited to meet those of the Entente and neutral Powers on a footing of equality, and for this reason the knowledge that it was shortly to meet stimulated the Allied Governments into taking the Reparation Question in hand. Again, it served as a 'dress rehearsal' for the First Session of the Assembly of the League of Nations. At Brussels the League Secretariat gained its first experience of organization, and rules of procedure for international as distinct from inter-Allied conferences were drawn up. In the third place, the code of sound finance which the Conference promulgated, and which at first sight appears to be little more than a string of platitudes, was not without importance at a time when all precedents seemed to have broken down and many financial heresies were exercising an attraction even upon some of those Finance Ministers who participated in the proceedings.

One concrete result of the Conference was the stimulus which it gave to the collection of precise financial and economic information. Before the Conference assembled in September, 1920, the Advisory Committee had already taken the first step towards this by circulating two *questionnaires* [2] to Governments ; and, in their first report to the Council, the Finance Section of the Provisional Economic and Financial Committee urged that the results of the Brussels Conference should be given the utmost publicity, that special steps for the purpose should be taken by the Press Section of the Secretariat, that a publishing department of the Secretariat should be established, and that information on public finance and currency should be collected systematically and continuously. In this connexion not only the ter Meulen Scheme but other proposals of the Brussels Conference (for instance, the proposal for the avoidance of double taxation) were taken up by the League and were made the subject of expert research.

[1] See III (iii) 5 below. [2] Texts in *Report of the Advisory Committee.*

The work thus initiated by the Brussels Conference and taken up by the Financial and Economic Organization of the League was given a further stimulus by the Assembly during its second session in September, 1921, when, ' in view of the continuing gravity of the exchange crisis and its dangerous effects upon the economic position and the conditions of labour of the working classes ', it passed a resolution requesting the publication of information to show how far the states participating in the Brussels Conference had succeeded in putting its recommendations into practice. The statements and figures furnished, in response to this resolution, by a large number of Governments, including the Government of the United States,[1] did not arrest the public attention like those comprehensive schemes for immediate action which were put forward at Cannes or Genoa, but it is possible that they were a more effective contribution to the work of reconstruction, since in financial and economic affairs it is pre-eminently true that exact knowledge is indispensable for effective action.

General Bibliographical Note.

In the present volume, owing to lack of space, the bibliography has to be restricted to the narrowest possible limits. It has therefore seemed best to insert a general note at this point, and thereafter to insert special notes at the end of particular sections whenever this appears to be necessary. In order to avoid unnecessary reduplication, there have been omitted from these bibliographical appendices all references either to individual official documents cited in the foot-notes to the text, or to British Command Papers, even when these contain collections of documents, since Command Papers can be traced with the help of the foot-notes to the text and the general information regarding them which is given below.

(i) Official Collections of Documents and Serial Publications

1. *Publications of the League of Nations* [2]

(*a*) *General.*

Monthly Summary (Eng., Fr., Ger., It., Jap., Sp., in separate editions). First issue, April 1921. Annual subscription: 1922, 6*s.*; 1923, 5*s.*, post free. Single numbers, 6*d.*

[Contents: Summary of the work of the League of Nations organizations (political, technical, economic and financial, administrative, social and humanitarian, &c.) and the Permanent Court of

[1] Published by the League of Nations under the title, *Brussels Conference 1920: The Recommendations and their Application. A Review after Two Years.* (Four volumes.)

[2] Published by the Publication Department of the League of Nations, Geneva. British agents: Constable & Co. Ltd., 10–12 Orange Street, London, W.C. 2.

International Justice; occasional texts of draft treaties; diary of forthcoming events; League of Nations publications.]

Official Journal (Fr. and Eng., since January 1922 separately). Monthly from February 1920. Annual subscription: 1922, £3; 1923, £2 10*s*. Single numbers, various prices.

[Contents: Minutes of the sessions of the Council of the League of Nations, texts of the reports and resolutions adopted by the Council, as well as the principal official documents received or dispatched by the Secretariat of the League.]

Special Supplements to the Official Journal (Fr. and Eng.). No. 5, Resolutions adopted by the Council at its Thirteenth Session in Geneva, 17th–28th June, 1921, 1*s*. 6*d*.; No. 8, July 1922, Index to the Minutes of the Sessions of the Council, 1921, 5*s*.; No. 10, Index to the *Official Journal* for the years 1920 and 1921 (First and Second Years), 7*s*. 6*d*.; No. 12, December 1923, Index to the *Official Journal*, 1923, 4*s*.

See also Bibliographical Notes to III (ii) 2 (*c*) and III (ii) 3 (*d*).

Treaty Series and International Engagements registered by the Secretariat of the League of Nations. 20 vols. to the end of 1923. Various prices: average 12*s*. per vol.

Monthly Bulletin of Statistics (Fr. and Eng.). Monthly since July 1919. Published till 1921, by the Supreme Economic Council. Annual subscription, 18*s*.; Single numbers, 1*s*. 6*d*.

League of Nations Pamphlets. Prepared by the Information Section of the Secretariat. Price of each pamphlet, 3*d*.

The Covenant; The Economic and Financial Work of the League; Transit and Communications; Political Problems; Health and Epidemics; Disarmament; Humanitarian Activities; Financial Administration and Allocation of Expenses; Mandates; Minorities; Intellectual Co-operation.

See also Bibliographical Notes to II (ii), III (i), III (iii) 5.

(*b*) *Council*.

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(*c*) *Assembly*.

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(*d*) *International Financial Conference, Brussels, 1920.*

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IV. Public Finance.
V. International Trade.
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IX. The European Transport Situation. A report compiled by the Communication Section, Supreme Economic Council.
X. Relief Credits and the Promotion of Export. A summary of Government measures.
XI. Exchange Control.
XII. Solutions proposed. A summary of schemes for remedying present financial difficulties.
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XIV. Price of Silver. Memorandum by Mr. G. Findlay Shirras.

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(*e*) *Permanent Court of International Justice.*

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[Contents: Texts of official documents, reports of meetings of the Governing Body and the various International Commissions (on unemployment, emigration, &c.), general information on the progress

of the work of the Bureau, together with particulars with regard to the action taken by the different States Members of the International Labour Bureau to give effect to the decisions of the Annual Conference.]

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[Contents: Questionnaires and Reports issued in preparation for the Sessions, Director's Report to the Conference, final record of each Session and authentic texts of Draft Conventions and Recommendations.]

2. *Publications of the British Government*

(*a*) *Papers laid before Parliament.* In the case of the Foreign Office (as in that of other offices controlled by a Secretary of State) these are entitled Command Papers. Among these papers a special class is called the Treaty Series, which is limited to treaties to which Great Britain is a party, that have been ratified or have actually come into force. There is not available any separate catalogue of such Foreign Office papers, but the Stationery Office publish a monthly list of all Government publications.

(*b*) *British and Foreign State Papers.* Issued annually by the Stationery Office. This contains the text of all important treaties, conventions, and other international documents.

(*c*) *Hansard.* The official report of debates in the two Houses of Parliament, published by the Stationery Office.

(*d*) *Admiralty Handbooks.* Compiled by the Geographical Section of the Naval Intelligence Division of the Admiralty, and published by the Stationery Office, 1918–20.

(*e*) *Peace Handbooks.* Prepared under the direction of the Historical Section of the Foreign Office, and published by the Stationery Office, 1920.

3. *Other Official Publications*

Among the publications of the various Governments which were in existence during the years 1920–3, the following stand out as the most valuable to the historian: French Yellow Books, Belgian Grey Books, Italian Green Books, German White Books, Czechoslovak White Books, United States Congressional Documents. The following publications of the Government of the Union of Socialist Soviet Republics may also be mentioned: *Recueil des principaux traités, accords et conventions conclus par la R. S. F. S. R. avec les Puissances étrangères* (*1923, Moscow*); *Russian Information and Review* (issued weekly from the 1st October, 1921, by the Information Department of the Russian Trade Delegation, London). The German *Reichsgesetzblatt* (Berlin, Reichsdruckerei) is also of importance, since the Treaty of Versailles had conferred an international character upon certain internal affairs of the German *Reich*.

(ii) Unofficial Collections and Serial Publications

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(iii) Periodicals

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Current History. (Monthly.) New York : New York Times Co. 25c. a copy.

Documentation Internationale des Bibliothèque et Musée de la Guerre. Bulletin. Monthly since 1922.

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Economic Review. (Weekly.) London : 6 John St., Adelphi. 1*s.* a copy.

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(iv) Books and Pamphlets

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See also Bibliographical Note to III (iii) 5.

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PART II

WESTERN EUROPE

Introduction.

The part played by Europe as a whole in international affairs during the period before the War of 1914 has been touched upon in a general way in the preceding volume. At that time the European Concert of six Great Powers—four of whom (France, Germany, Austria-Hungary, and Italy) were entirely European, while the other two (the British and Russian Empires) moved partly in the European orbit and partly outside it—constituted a single organized system of international relationships which was in fact the only system of its kind in the world. This European system, however, was broken up by the War : and during the years 1920 to 1923 the main issues which determined the course of international affairs in Western and Eastern Europe respectively were no longer the same. Eastern Europe is dealt with in Part III below. The principal questions outstanding there were the definitive settlement of the eastern frontiers of Germany and Italy and the western frontier of Russia, and the establishment of new relationships between the numerous states of smaller calibre which had come to occupy the space between these greater bodies. In Western Europe, during the same period, the chief issue was the relationship between France and Germany.

In the revolutionary transformation of the European landscape which had occurred between 1914 and 1920 one earlier feature seemed to have re-emerged. The German ascendancy on the Continent which had existed between 1871 and 1914 had apparently given place again to that French ascendancy which had been the usual state of affairs for the greater part of the two centuries ending in 1871. At the same time, the reappearance of this familiar feature was as strange an event, in its way, as the obliteration of the old landmarks in other parts of the Continent ; for although the

traditional ascendancy of France had lasted so long and had come to an end so recently, its return had been expected by few living Frenchmen, and by still fewer foreign observers of international affairs, during the half-century which had followed the foundation of the German Empire.

The fact was that the European system had gradually extended its range and shifted its centre of gravity in the course of its existence. In the Europe of 1672 France had occupied a central and therefore a commanding position ; but the balance had been altered to her disadvantage by the growing importance of Eastern Europe and by the entrance of Russia into the European system as a new Great Power. France was defeated in her attempt to secure a continental hegemony at the height of her strength under Napoleon I because Napoleon, unlike Louis XIV, had to reckon with Russia in addition to the older members of the European system ; the centre of gravity had already travelled towards the East ; and from 1815 onwards the commanding position on the Continent was occupied no longer by France, but potentially by Prussia and actually by the German Empire after its foundation in 1871. During the half-century between 1871 and the War of 1914, Germany, in her turn, forged ahead of the other five Powers in the European system. The ascendancy had passed from France to her, and even when France had received successive accessions of strength by securing the support of Russia and Great Britain, the balance of power still inclined to the German side. Indeed, Germany might have conquered the hegemony of Europe in the War of 1914 if that War had been fought out exclusively between European forces ; but once again, as in the time of Napoleon I, the Power aspiring to hegemony was defeated by an extension in the range of the international system. Just because the hegemony of Europe was almost within Germany's grasp, and because at that time a European hegemony would still have carried with it a general supremacy throughout the world, France and her European Allies were reinforced, in their doubtful struggle against Germany, by the military strength of the British Dominions and the United States and by the economic resources of the entire world outside the fronts held by the four states of the Central Alliance. The eventual defeat of Germany on French soil was achieved neither by France alone nor by a European Entente alone, but by the united forces of society.

Thus, while France found herself on the victorious side at the

end of the War, she was really farther than ever from holding the commanding position in a system of international relationships which had just expanded beyond Europe over the world as a whole. At the time when the Peace Conference met in Paris, she was one member in a world-wide coalition ; and if that coalition had lasted the position of France in Europe during the years 1920 to 1923 would have been neither so dominant nor so precarious as, in the actual circumstances, it came to be. The coalition, however, did not outlast its reason for existence. It had been brought into being, first as a European Entente and then as a world-wide association, in order to meet the military menace from Germany. It served this purpose in the War ; but even before the War had ended in the overthrow of Germany the fabric of the anti-German coalition, including its European nucleus, had begun to dissolve. The Russian Empire, which for nearly a quarter of a century had been the indispensable ally of France in Europe on Germany's eastern flank, was destroyed by the War itself and was replaced by Soviet Russia, which ranged itself among the forces opposed to the Allied and Associated Powers. This loss of her old continental ally in 1917 was a terrible blow for France, and she suffered a worse blow in the last months of 1919 and the opening months of 1920, when her hopes of a new and compensatory alliance with the English-speaking Powers were disappointed.

The support of Great Britain, the Dominions, and the United States had saved France from the defeat which she could not have escaped if she had only had the broken reed of Russia to lean upon, and during the Peace Conference French statesmen expected to see this new Entente placed upon a permanent basis.[1] On the 28th June, 1919, when the Peace Treaty was signed at Versailles, two agreements providing for ' assistance to France in the event of unprovoked aggression by Germany ' were signed simultaneously by the representatives of the United States and Great Britain.[2] The ratifications of the Franco-British Agreement were actually exchanged on the 20th November, 1919 ; but, although the idea of a strictly defensive pact of this character between France and Great Britain continued to be entertained by British statesmen

[1] The only written contract between France and Great Britain at that time was the Treaty of London, by which the British, French, and Russian Governments had bound themselves not to make peace separately ; but this terminated automatically as soon as peace was signed (see I (ii) above). As for the United States, she was not bound to France or Great Britain by any agreement at all, but was merely a ' co-belligerent '.

[2] Texts in *H. P. C.*, vol. iii, pp. 337–40.

during the next four years,[1] it was not realized on this occasion. In the second Article of both the Franco-British and the Franco-American Agreement of the 28th June, 1919, it had been provided that either instrument should only come into force upon the ratification of the other ; and on the 19th November, 1919, the very day before the ratifications of the Franco-British Agreement were exchanged, the Peace Treaty (to which both instruments were corollaries) had been rejected by the Senate of the United States—a rejection which was confirmed by a second and final vote of the same body on the 19th March, 1920. Thus the Franco-American Agreement was never ratified ; the exchange of ratifications of the Franco-British Agreement remained without effect, in regard either to Great Britain or to the Dominions ;[2] and France found herself in an extraordinarily difficult and harassing position, which determined her state of mind, and consequently her policy, during the years which followed. As the invaded country in which the most intense and the most devastating actions had been fought in a military struggle which had focused the destructive energies of Mankind upon French soil, France had been the principal victim of the War. Her richest territories had been laid waste and the already serious decline in her birth-rate had been alarmingly accelerated. She had thus been stricken by the War in her weakest spot, which was her tendency to depopulation. Yet at the same time the restoration of Alsace-Lorraine and the transfer of the coal-mines in the Saar Basin had made France potentially one of the leading industrial countries of Europe, while the disarming of Germany and the reduction of the British and American military establishments to approximately pre-war strength made her temporarily the leading European military Power. In this perplexing condition of uncertain strength and latent weakness she was now left by her late Allies and Associates in the West to maintain against Germany, and possibly against Russia as well, a new map of Europe which she could never have brought into existence single-handed—

[1] See I (ii) above for the revival of this idea at the Conference of Cannes. The whole problem of security and disarmament in Europe, from the conflict of policy between M. Clemenceau and Marshal Foch during the Peace Conference down to the adoption of the Geneva Protocol for the Pacific Settlement of International Disputes by the Fifth Assembly of the League of Nations on the 2nd October, 1924, will be dealt with in the *Survey of International Affairs for 1924*.

[2] In Article 5 of the Franco-British Agreement it was provided that no obligation should be imposed by it upon any Dominion of the British Empire unless and until it were approved by the Parliament of the Dominion concerned.

and this with less assurance of support from other European Powers than she had been able to count upon in 1914.[1]

The withdrawal of Great Britain and the United States was neither dishonourable nor irrational from the British and American points of view. The possibility that Germany might win a world-wide supremacy, which had forced both these Powers to concentrate their energies upon the European Continent during the preceding years, had been removed, for a long time to come if not for ever, by the results of the War. For Powers with world-wide interests Continental Europe had therefore ceased, for the moment, to be the principal focus of international affairs; and their attention was already being drawn away to the Far East and the Pacific. France, however, could not detach herself with similar ease from a continent into which she had been welded indissolubly by Nature; she was thus thrown back upon her own resources; and, as she brooded over her isolation, she almost inevitably came to view her position in a false perspective. Because she was the principal victim of the War and also the principal representative of the victors remaining under arms, she began (by an easy but a dangerous fallacy) to look upon herself as the protagonist, if not the sole actor, in the world tragedy of 1914. She was thus tempted to write 'France' where she should have written 'the world', and this confusion of ideas tormented her mind with a paradox which might not have troubled her if circumstances had made it easier for her to retain a truer sense of proportion. Under the exclusive impression of her own national experience as an invaded yet victorious country, she was divided between the contrary emotions of victory and defeat. Her state of mind was so peculiar that the historical parallels to it were far to seek. Possibly the psychology of France in A. D. 1920 and

[1] It might perhaps be argued that, if France was isolated, Germany was weakened, yet the application of the principle of nationality to the non-German territories of the German *Reich* at the Peace Conference had not appreciably diminished the disparity of numbers between France and Germany. On the other hand, France had been successful in preventing the application of the principle to Germany's advantage outside the German frontiers of 1914. The 3,500,000 Germans of Bohemia and Moravia, most of whom lived in districts adjoining the frontiers of Germany, had been incorporated in Czechoslovakia, and the union of the German-Austrian Republic with Germany had been made impossible without the consent of the French representative on the Council of the League of Nations; but the fear of this union reappeared in France at the time of the dispute over the Burgenland between Austria and Hungary. The sympathy for Hungary which was shown in France over this affair was grounded in a desire to prevent one German community (the Burgenlanders) from joining another German community (German Austria) which might eventually succeed in uniting with Germany herself! (See III (iii) 3 below.)

the three following years can be appreciated best by comparing it with the psychology of Athens after the Great Persian War or with that of Rome after her struggle with Hannibal.[1] In 1920 she was at once self-confident and haunted by fear, self-centred and oppressed by a sense of isolation, self-laudatory and unable to show herself generous, although generosity was the traditional French virtue in which she took most pride.

Her self-confidence was derived from the consciousness that she had held out triumphantly against the most severe ordeal to which a nation could be subjected. The country which had survived the German invasion of 1914 was assuredly a rock against which the waves of Bolshevism, or any other hostile force, would beat in vain. In asserting against Germany her rights as a victor, need such a country be deterred by the prospect that her vanquished neighbour might fall into the abyss of social revolution ?

> Those little know France who believe her capable of being terrorized by those gloomy forecasts. Even supposing that Germany were menaced by such catastrophes, we should have no reason whatever to fear any reaction for ourselves. Our country is happily protected from all danger of military or communist dictation. It is in a disturbed continent the very model of a peaceful and ordered democracy ; it is firmly attached to republican institutions and parliamentary liberties. The earth might shake everywhere around her ; she would not tremble. Peasants who have the taste for their work and the love of their soil ; working men who, however justly they may long for social progress, have an acute sense of realities ; a middle class which has its roots in the people and draws from it its living force ; national unity consecrated by the centuries—these are decisive guarantees of good sense and reason. We are immune against the contagion.[2]

[1] In 478 B. C. Athens, in co-operation with her Hellenic Allies, had gained an overwhelming victory over Persia, after a war in which the territory of Attica had been invaded and devastated by a Persian army and the national monuments deliberately destroyed. In 201 B. C. Rome had gained a similar victory over Carthage, after a war in which Hannibal had stood for sixteen years on Italian soil and had left the South of Italy devastated and depopulated. In both instances, this legacy of a 'devastated area' profoundly affected the psychology of the victor during the post-war period, and a number of the same symptoms reappeared in the psychology of France after the victory of A. D. 1918.

[2] Quoted from a speech delivered by M. Poincaré at Bois-le-Prêtre on Sunday, the 23rd September, 1923, four days before Germany was brought to her knees in the struggle over the Ruhr. A similar illusion of impregnability obsessed the Athenians for many years after the Great Persian War of 480–478 B. C.

> The constitution under which we live seeks no inspiration from abroad. . . . Before the law, equality is assured to every citizen in his dealings with his neighbour ; the recognition of personal distinction in any field and the political advancement which is its reward are determined by merit and not by social standing ; and no stigma attaches to poverty which can

France seemed indeed to have become immune against the contagion of every foreign influence, from the subversive doctrines of Bolshevism to the moderating counsels of her Allies. In December, 1921, when the British Government at last took up the problem of French security at the point where it had been left in November, 1919, their overtures were coldly received; and the presentation of a British draft for a new Anglo-French Pact at the Conference of Cannes was answered by the overthrow of M. Briand and his replacement by M. Poincaré,[1] whose overweening language, quoted above, expressed the very mood of the France which had brought him into power. Most people in France would have endorsed these words at any time during the four years following the ratification of the Treaty of Versailles; yet while Frenchmen were boasting, with genuine conviction, that their house was built upon the rock, they could not shake off the haunting terror that the floods might still return and sweep it away. The living monument of victory was the French Army of Occupation on German soil, but few Frenchmen had seen it with their own eyes except the troops themselves. A more powerful impression was made upon the majority of the nation by the ineffaceable monuments of German invasion in the devastated areas. The Germans had invaded France in 1914, in 1870, in 1814, in the Wandering of the Nations, in the days of Julius Caesar! They had always been invading France, and it was inconceivable that they should not invade her again! It was useless to point out that there were at least as many precedents in history for the presence of French troops on or beyond the Rhine, and that the last two German invasions before that of 1914 had not been unprovoked aggressions but counter-strokes to previous French invasions of German soil. Neither the facts of history nor the proud consciousness of victory could exorcize this dread of the future from the French mind. The fall in the birth-rate might undo the work of Foch in a single generation, and the creeping shadow of future defeat tortured France with the exasperating doubt whether she were reaping the fruits of present victory to the full.

This mental torment goaded France into treating her beaten

> bar the career of any man capable of serving the state. . . . While our private intercourse is free from constraint, this does not react to the detriment of law and order, which are preserved by a wholesome respect for the constituted authorities and for the laws of the land.

Thucydides put these words into the mouth of Pericles in reporting a speech delivered in 431 B. C.

[1] See I (ii) above.

enemy as Rome had treated Carthage after the Hannibalic War. The policy of the French Government towards Germany tragically postponed the urgent work of European reconstruction and reconciliation; and when, under M. Poincaré's administration, that policy reached its climax in the occupation of the Ruhr, it seemed for the moment as though the Second Punic War might once again be followed by a third and final war of extermination against a broken and defenceless people.[1] Happily, however, it was not the

[1] If the France of these years, unnerved by the War, lacked the resolution to hold up a mirror to herself, she would have done well to study the picture presented by Rome in her conduct towards Carthage during the half-century that followed the Battle of Zama (201–146 B. C.). In the Rome of that age, almost every unlovely trait in the conduct of France after the War of 1914 was anticipated and exaggerated. Cato Major, who made it his principle never to conclude a speech on any subject in the Senate without adding 'I also move the destruction of Carthage', might have delivered the Sunday orations of M. Poincaré; and the Roman strategists who created Greater Numidia to prey upon their beaten enemy might have engineered the aggrandizement of Poland in 1918–21. Rome was even faced, like France, by the dilemma between security and reparation:

> A graver responsibility than that arising out of their proceedings against Hannibal attaches to the Roman Government for their persistence in suspecting and tormenting the city after his removal. Parties indeed fermented there as before, but after the removal of the extraordinary man who had wellnigh changed the destinies of the world . . . the government remained in the hands of the oligarchs friendly to Rome, who, so far as they did not altogether renounce the thought of the future, clung to the single idea of saving the material prosperity and the communal freedom of Carthage under Roman protection. With this state of matters the Romans might well have been content. But neither the multitude, nor even the senators of the average stamp, could rid themselves of the profound alarm produced by the campaigns of Hannibal; and the Roman merchants with envious eyes beheld the city even now, when its political power was gone, possessed of extensive commercial dependencies and of a firmly established wealth which nothing could shake. Already in 187 the Carthaginian Government offered to pay up at once the whole instalments stipulated in the treaty of 201—an offer which the Romans, who attached far more importance to having Carthage tributary than to the sums of money themselves, naturally declined, and only deduced from it the conviction that, in spite of all the trouble they had taken, the city was not ruined and was not capable of ruin. Fresh reports were ever circulating through Rome as to the intrigues of the faithless Phoenicians. At one time it was alleged that Aristo of Tyre had been seen in Carthage as an emissary of Hannibal to prepare the citizens for the landing of an Asiatic fleet (193); at another, that the council had, in a secret nocturnal sitting in the temple of the God of Healing, given audience to the envoys of Perseus (173); at another there was talk of a powerful fleet which was being equipped in Carthage for the Macedonian War (171). It is probable that these and similar reports were founded on nothing more than, at most, individual indiscretions; but still they were the signal for new diplomatic misrepresentations on the part of Rome, and for new aggressions on the part of Massinissa, and the idea gained ground the more—the less sense and reason that there was in it—that the Carthaginian question would not be settled without a third Punic War. (Theodor Mommsen, *History of Rome*, Book iii, Ch. VII. [English translation of 1888, p. 203.])

destiny of France to guide the feet of Western society into those paths of destruction down which implacable Rome had driven the Ancient Mediterranean World. In one important respect the circumstances were not the same. In the second century before Christ, Rome had emerged from the life-and-death struggle which had deranged her moral balance as the sole surviving Great Power within the ambit of her world, and had therefore had licence to indulge her fatal passions without any external restraint. In the twentieth century after Christ France, driven by equal sufferings into an equally dangerous state of mind, was placed by a kinder Fortune in a world where she was not omnipotent to work her momentary will. The policy of M. Poincaré and his supporters was confronted by economic and political difficulties which were to prove insurmountable, and, as the French nation re-examined that policy under this searching test, the war-spirit began to subside and the critical faculty of the French genius began to recover its supremacy. To say that 'France' had been mentally sick and that 'France' gradually became herself again would of course be a misleading statement; for the crude anthropomorphic metaphor which speaks of 'France', 'Great Britain', 'the United States', 'Japan', and other governments, peoples, and countries as though they were personalities with that degree of mental unity which exists in an individual human being, is a mere convenience of language which slurs over the infinitely complex play of opinion in a vast community. What really happened in France towards the close of the year 1923 and the beginning of 1924 was that the more generous and constructive thoughts and feelings in the minds of most Frenchmen began to prevail over the thoughts and feelings which had been stimulated by the War. But the influence of this great psychological revolution in France upon the history of Western Europe lies beyond the horizon of the present volume and must be left for consideration in the *Survey of International Affairs for 1924.*

(i) Belgium and Luxembourg

1. The Status of Belgium after the War of 1914

Before the War, the status of Belgium had been an international question, because it had depended directly upon a group of international agreements. The terms of these agreements, which had been violated by the German invasion in 1914, were not abrogated at the Peace Conference of Paris by any formal act subscribed to by all parties concerned.

The settlement of 1839 was based on twenty-four articles which were drawn up by the five Great Powers of the time (Great Britain, France, Prussia, Russia, and Austria) and by them imposed on the Netherlands and Belgium—the parties primarily interested. These twenty-four articles defined the frontiers of Belgium (incidentally restoring parts of Limburg and Luxembourg to Holland), regulated the navigation of the Scheldt and other questions of waterways and transit, and included the article declaring that Belgium should be a neutral state, which was a matter of general concern. These twenty-four articles were incorporated in three separate treaties : between the five Powers and the Netherlands, between the five Powers and Belgium, and between the Netherlands and Belgium. In the first two, the five Powers gave their guarantee, which applied not only to the neutrality clauses but to the whole treaty, to the Netherlands and to Belgium respectively.

The experience of 1914 made the Belgian Government anxious to alter the status which had thus been imposed upon Belgium in 1839. They naturally felt that the territorial sacrifices and the restrictions on their right as a fully sovereign state to enter into defensive alliances, to which they had submitted for seventy-five years, had not been compensated by the guarantee of their neutrality, since that guarantee had not saved them from invasion when the crisis arose. They argued that the system of 1839 was a connected whole, that the frontiers then assigned to Belgium were contingent upon her neutrality, and that if this neutrality disappeared (as had already happened in practice, though not juridically) then the frontier and other clauses must be revised.

The presentation of the Belgian case at Paris has been recorded in the *History of the Peace Conference*.[1] The Principal Allied and Associated Powers co-operated with Belgium in reopening the settle-

[1] Vol. ii, Ch. III, Section 4.

ment of 1839. They caused two of the guarantor Powers, Germany and Austria, to recognize, in the Treaties of Peace,[1] that the treaties of 1839 no longer conformed to the requirements of the situation ; to consent to their abrogation ; and to accept in advance whatever arrangements might be made, in substitution, by the Principal Allied and Associated Powers, or any of them, in concert with the Governments of Belgium and the Netherlands.

The Supreme Council further invited the Dutch Minister for Foreign Affairs to discuss the revision of the 1839 settlement with them. At a meeting of the Council of Ten in Paris on the 19th May, 1919, M. van Karnebeek appears not to have exercised his right to insist on the maintenance of Belgian neutrality, and to have agreed in principle to co-operate in the revision of the 1839 treaties, on condition that the territorial *status quo* was preserved. On the 4th June, 1919, a special commission was appointed, consisting of representatives of the Principal Allied and Associated Powers, Belgium, and the Netherlands, with terms of reference which excluded the transfer of territorial sovereignty or the creation of international servitudes. The question of Belgian neutrality then passed into the background, without having received any formal solution. Of the guarantor Powers, Germany and Austria alone had formally relinquished their right to maintain the 1839 settlement. Great Britain and France might also be held to have waived the 1839 settlement by their acts, at least in so far as the neutrality clauses were concerned. No action had been taken, however, by the fifth guarantor, Russia, and the Netherlands also had retained a free hand. Juridically, the position of France and Great Britain was the most obscure. The clearest statement seems to be that made by the Under-Secretary of State in answer to a question in the House of Commons on the 12th April, 1922 : 'These two [Powers] and Belgium are in mutual agreement that, in consequence of past events, the treaty establishing the guarantee [i. e. presumably that one of the three treaties of 1839 which was entered into by the five Powers with Belgium] can no longer be regarded as in force.'

The principal remaining issue in regard to the status of Belgium was that of the channel and estuary of the Scheldt below Antwerp. This problem arose from the fact that part, at least, of these were Dutch territorial waters, whereas the commercial use of the waterway was almost wholly a Belgian interest, since these Dutch waters,

[1] Treaty of Versailles, Art. 31 ; Treaty of St. Germain, Art. 83 ; Treaty of Trianon, Art. 67.

from the economic point of view, were simply the entrance to Belgium's principal port. The conservancy of this waterway had been placed, and still remained, in the hands of a mixed Dutch-Belgian Commission, and it was thought, in Belgium, that the efficiency of this commission (on which the prosperity of Antwerp ultimately depended) was impaired by the supineness of the Dutch members—whether from mere indifference to the interests of a trade which was not their own or from an active disinclination to promote the prosperity of a port which was the principal foreign rival to Rotterdam.

The special commission appointed at Paris in June, 1919, held a number of meetings, but it reached no conclusions and presented no report owing to the impossibility of reconciling the Dutch and Belgian views. Thereafter, discussions regarding the Scheldt continued between the Dutch and Belgian Governments, but so far from settling the existing issues they raised a new one, upon which the negotiations finally broke down in May, 1920. The two Governments found themselves in disagreement as to the actual limits of the Dutch territorial waters. A great part of the estuary of the Scheldt was too narrow to be navigable, and the section which was of chief commercial importance was the so-called Wielingen channel, which first skirted the coast of Dutch Flanders [1] and then passed along the coast of Belgian Flanders, within the three-mile limit, before it reached the open sea. The Dutch Government claimed that the entire channel was under Dutch sovereignty, even where it passed within the three-mile limit from the Belgian coast, on the ground that it was merely a prolongation of a Dutch waterway. This argument was double edged, for on the same principle (and with more practical justification) Belgium might claim sovereignty over the Dutch portion of the Scheldt as being a prolongation of a Belgian navigable river. Moreover, if the Dutch contention were accepted, it would place the Belgian port of Zeebrugge in the same position as Antwerp, of being isolated by a belt of Dutch waters from the open sea. The Belgian Government therefore declined to continue the negotiations unless the Belgian view were first accepted on this particular question, and with this the negotiations came to an end without reaching any conclusions.

[1] The enclave of Dutch territory south of the Scheldt.

2. Belgium, France, and Luxembourg

Before the War of 1914, the Grand Duchy of Luxembourg, though it had been a sovereign state politically since 1890, was linked by a customs union and a railway agreement with the German Empire. This was perhaps the most convenient connexion for Luxembourg from the material point of view so long as the adjoining territory of Alsace-Lorraine was under German sovereignty. Meanwhile the German invasion of Luxembourg in 1914, the restoration of Alsace-Lorraine to France after the Armistice, and the uncertain future of Germany under the Treaty of Versailles, had made it inevitable that Luxembourg should secede from the German *Zollverein*, and by a clause in the Treaty of Versailles[1] Germany renounced the benefits of all the treaties by which Luxembourg had been placed economically under German control. Yet at the same time the Grand Duchy—with its important metallurgical industry depending on local ores but on imported coal—could not attempt to stand alone economically any more than it had been able to do in the past, and the choice before it was, therefore, a new customs union with either France or Belgium. There was no opposition, either in Luxembourg or outside it, to the economic separation of the country from Germany or again to the maintenance of its political independence; but the Luxembourgers were divided over the question whether they should maintain the dynasty (while deposing the Grand Duchess Adelaide, who had shown complacency to the Kaiser during the War) or establish a republic, and also as to whether the economic connexion with Belgium or France offered the greater advantage in the new situation. The second issue of course affected the relations of Belgium and France with one another.

As the result of a plebiscite held in October, 1919, the dynasty was maintained, the Grand Duchess Adelaide being replaced on the throne by her younger sister Charlotte, and this decision was a definite refusal to all suggestions for surrendering political independence. On the other hand, on the question of economic affiliation, which was also included in the plebiscite, a customs union with France was demanded by 60,135 votes against 22,242 cast for Belgium.[2] France, however, while she had made vigorous efforts, during the months which had elapsed since the Armistice, to attract Luxembourg into her economic orbit, had not yet declared the terms upon which she would be willing to enter into the proposed customs

[1] Article 40.

[2] *H. P. C.*, vol. ii, p. 186.

union ; and the Luxembourg Government stated officially, after the plebiscite had been taken, that the vote was contingent upon the French terms proving acceptable and had been taken in order to elicit from the French Government what these terms were. Luxembourg was also anxious not to alienate her other neighbour Belgium, and a hint was thrown out that some form of economic *rapprochement* towards Belgium need not be excluded by the proposed union with France. Belgium, however, was offended by the preference shown in Luxembourg for France and was also alarmed at the prospect of being partly ' encircled ', since the main railway line in Luxembourg, which would pass under French control as a corollary to the customs union, was of great strategic as well as commercial importance.[1] She marked her displeasure by withdrawing her Minister from Luxembourg and suspending diplomatic relations.

Up to this point the issue had lain in the hands of the Luxembourgers themselves, and the result of the plebiscite, while partly due to effective French propaganda and to the almost automatically greater attraction of the larger mass, had perhaps mainly been determined by the balance of local economic interests, some of which (e. g. the agrarian interest) stood to gain more by association with France and others (e. g. the vine growers) by association with Belgium. Ultimately, however, the question was settled by considerations of policy which lay beyond the local horizon. On the 19th November, 1919, a few weeks after the plebiscite in Luxembourg had been taken, the United States Senate for the first time rejected the Treaty of Versailles, and therefore by implication the special agreement between the United States and France ensuring American assistance to France in the event of unprovoked aggression by Germany in the future.[2] On the 20th November the ratifications of the parallel agreement between Great Britain and France were nevertheless exchanged ; but on the 21st Mr. Bonar Law declared, in answer to questions in the House of Commons, that ' so far as any obligation of this country is concerned—I do not say that another situation will not make a new condition of affairs—it is contingent upon the United States Government undertaking the same obligation '. Just four months later the Treaty of Versailles was rejected finally by Congress ; all prospect of the separate Franco-American

[1] It was the shortest line between Metz and the Lorraine iron-field on the one side and the valley of the Moselle on the other.

[2] Text in *H. P. C.*, vol. iii, p. 339.

agreement disappeared; the parallel Franco-British agreement automatically lapsed; and the military and political position of France on the Continent was fundamentally altered. Next month the sharp divergence of view between the French and British Governments regarding the temporary French occupation of Frankfurt, Darmstadt, and other places in Germany beyond the treaty line made it evident that France had not only lost the military guarantee of her overseas allies but that her policy towards Germany might bring her into positive opposition to Great Britain. From this time onwards the friendship and support of Belgium became of paramount importance to France, and she deliberately renounced her prospects in regard to Luxembourg in order to secure this major object. During April and May, 1920, negotiations proceeded between France and Belgium for the divided control of the Luxembourg railways, and an agreement was reached which was a prelude to conversations between the two general staffs for a military convention. Luxembourg, however, who was the party most directly concerned, objected to the proposed division of her railway system into two spheres controlled by different foreign Governments, and eventually France retired in favour of Belgium in this field as well as in that of the customs union.

The withdrawal of France left Luxembourg no alternative except that union with Belgium which had been rejected in the plebiscite of October, 1919, and after long negotiations a treaty was signed by the two Governments on the 25th July, 1921.[1] The customs frontier between Belgium and Luxembourg was abolished, the railway system unified,[2] and the former Luxembourg currency was withdrawn progressively from circulation. Provisions were added with a view to safeguarding the agrarian and metallurgical interests in Luxembourg against Belgian competition; but, when the agreement came before the Luxembourg Chamber of Deputies for

[1] Text in *Moniteur Belge*, 11th March, 1922, as an annex to the Belgian law approving the Convention.

[2] In Article 24 of the actual convention of the 25th July, 1921, the future régime of the Luxembourg railways was left over for subsequent arrangement between Belgium and the Grand Duchy. Previously, the Luxembourg railways had been divided between a Luxembourg private company and the German State Railways, while, since the Armistice, the place of the latter had been taken by the Compagnie des Chemins de Fer de l'Alsace et de la Lorraine. On the 15th May, 1924, a Belgo-Luxembourg convention was signed, under which the Luxembourg railways were unified and their exploitation was made over to the private company (Société Prince Henri) under the joint control of the Belgian and Luxembourg Governments. The convention had still to be submitted to the Belgian and Luxembourg Parliaments, by whom it must be ratified before it could come into force.

ratification, it met with violent opposition from both these groups. Eventually the agreement was ratified in Luxembourg on the 22nd December, 1921, and in Belgium on the 2nd February, 1922, and it entered into force (to run for fifty years) on the 1st May following.

Meanwhile, the political status of Luxembourg as a sovereign and independent state had been confirmed by her admission to membership in the League of Nations on the 16th December, 1920.

3. Franco-Belgian Relations and the Flemish Question

The military conversations between the French and Belgian staffs, which had begun in the early summer of 1920, resulted on the 7th September of that year in the signature of an agreement. This agreement was ratified by the Belgian and French Governments respectively on the 10th and 15th of the same month, and was duly registered with the Secretariat of the League of Nations in accordance with Article 18 of the Covenant ; but the publication of the contents, which was prescribed in the same Article, did not follow, since the parties claimed that the terms were purely defensive and that to publish the technical details would be to destroy their efficacy in advance.

Co-operation in the broader field of international politics between Belgium and France was still hindered, however, by acute differences of economic interest arising out of the restoration to France of Alsace-Lorraine. Before the War, the German Government had permitted complete freedom of trade between the *Reichsland* and the Belgian port of Antwerp, because the *Reichsland* was too remote from any German port to be served by it with at all comparable cheapness or convenience. After the Armistice, however, France set up a customs barrier between the three restored departments and Belgium, in spite of Belgian protests, and imposed a *surtaxe d'entrepôt* on goods transported through Antwerp, with a view to diverting the trade from Antwerp to the French Channel ports. This surtax was partially removed, towards the end of 1920, in the case of goods forwarded direct by the water route from Antwerp to Strasbourg ; but on the 1st January, 1921, Belgian opinion was disturbed by a speech from the French Ambassador at Brussels declaring that the surtax in general could not be abolished. On the 5th February the Belgian Government retorted by formally renouncing their right [1] to sequestrate the property of German

[1] Under the Treaty of Versailles, Part VIII, Annex II, § 18.

nationals in Belgium in the event of a default by Germany in the execution of her treaty obligations—a step which had already been taken by the British Government on the 16th October, 1920, and which in the case of Belgium made it possible for German traders, shippers, and bankers to do business at Antwerp again as they had done before the War without risking the confiscation of their property. This was a logical effort on Belgium's part to prevent the volume of trade at Antwerp from diminishing still further as compared with the pre-war figures; but, for political reasons. France could not afford to see Belgium establish better commercial relations with Germany than with herself. On the 9th April, 1921, the Belgian Minister for Foreign Affairs was able to announce that the French surtax would be removed, and this concession on the French side paved the way for the economic agreement between France and the Belgo-Luxembourg customs union[1] which was signed two years later, on the 12th May, 1923.

This agreement (which was to hold good for one year in the first instance) provided for specific reductions of tariff upon listed articles imported from one country into the other. It was approved by the Belgian Chamber on the 7th June, 1923, but a strong and increasing dislike of it was shown in business circles, and the Catholic Parliamentary group took up the question at a party meeting on the 19th December, which nearly brought on a Cabinet crisis. In the following February the Socialist deputies united with the Catholic Parliamentary group in opposing the Government's motion for ratification of the agreement. The motion was rejected on the 27th February, 1924, and the defeat was followed by the resignation of the Government. The intransigent attitude taken up by the Flemish Nationalist wing of the Catholic Party was especially significant.[2]

There had been a linguistic national movement among the Flemish-speaking Belgians since the early days of Belgian independence, and proposals for the administrative separation of the Teutonic and Latin parts of the kingdom, and for the foundation of an exclusively Flemish university, had been put forward before the War; but on this West European ground the language controversy had never assumed the bitterness of similar struggles in Eastern Europe, and the War itself had temporarily suspended it. The German invasion (which had devastated both parts of the

[1] Representatives of Luxembourg took part in the negotiations.
[2] A new commercial *modus vivendi* was signed on the 24th October, 1924.

country impartially), and still more the deliberate attempt of the German authorities, during the occupation, to drive in a wedge between Flemings and Walloons by imposing administrative separation and setting up a Flemish University at Ghent, had stimulated the sense of a common Belgian nationality in all Flemings except a few 'Activists', who had consented to work with the Germans and had afterwards fled the country at the time of the German evacuation. The immediate result of the War was thus a triumph for Belgian unity, and the Flemish question might have been expected to remain in the background if the development of the international situation had not led to the military and economic *rapprochement* between Belgium and France which has been described above. This close association with France, which aroused opposition among certain Belgian Catholics and in certain business quarters, produced a more extensive effect upon the national feelings of the Flemish part of the population. Many Flemings who had taken little interest in the domestic controversy with the Walloons over the respective spheres to be assigned to the French and Flemish languages in the national life, became seriously alarmed at the prospect that the progress of the French language in Flanders might be promoted thenceforward not merely by their French-speaking fellow citizens, against whom they could hold their own, but by the immense power and prestige of France. The more violent Flemish nationalists began to talk of the Belgian state as an instrument designed by French policy for the Gallification of Flanders,[1] and to demand, as safeguards, the reintroduction of administrative separation and the creation of a separate Flemish army. Some even looked forward to the break-up of Belgium and the union of the Flemish-speaking population with the Netherlands, on the ground of community of language; but there was no evidence that this extreme aspiration was widespread, and it certainly was not shared either by the Government of the Netherlands or by Dutch public opinion. The Dutch had never quite forgiven the Belgians for their secession, and the reconsideration of the settlement of 1839 since the Armistice of 1918 had reopened the old sore; but in 1839 the balance of advantage had remained distinctly on the Dutch side, and, at a time when Dutch policy was concentrated upon maintaining as far as possible this advantageous *status quo*, the Dutch people

[1] Somewhat as the leaders of the subject nationalities in the Hapsburg Monarchy before and during the War had denounced Austria-Hungary as an instrument for the Germanization of Central and South-East Europe.

were too prudent to prejudice their case and burn their own fingers by meddling in Belgian internal affairs. Thus, in regard to the Flemish question, the Dutch maintained an attitude of studied detachment, and in the meantime the Belgian Government forestalled the extreme Flemish demands by making far-reaching concessions. On the 29th July, 1921, a law was passed,[1] with the approval of the moderate Flemish nationalists, which provided for the use of both languages in the official correspondence of the Central Government (Art. 4) and made Flemish the language of local administration and of correspondence with the centre in the Flemish districts, while leaving the same status in the French districts to French (Art. 1). Communes in which the majority of the inhabitants found themselves on the wrong side of the line laid down by the law were to have the right of local option (Art. 3); public notices were to be published in both languages in communes where this was demanded by 20 per cent. of the electors (Art. 4); and the perplexing problem of what should be the official language of Brussels was referred to the Provincial Council of the mixed province of Brabant (Art. 2). Officials were required to know the language of the district in which they were to serve (Art. 5), and after the 1st January, 1925, proficiency in both languages was to be required for all appointments to higher posts in the Central Government service (Art. 6).

In the winter of 1922–3 the conflict was reopened round the question of establishing a Flemish University at Ghent,[2] and, though both parties were agreed that there must be a compromise, the difficulty of adjustment proved so great that it was partly responsible for the fall of M. Theunis's Ministry on the 14th June, 1923. He returned to office in order to pass into law a new constitution for the University of Ghent which established a kind of academic diarchy between the two languages; but the compromise pleased neither party, and the future of the language controversy in Belgium continued to depend upon the development of the relations between Belgium and France.

[1] Text in *Moniteur Belge*, 12th August, 1921. The law entered into force on the 1st January, 1922.

[2] In all four Belgian universities (Brussels, Liège, Louvain, and Ghent) the academic language had previously been French, though Louvain and Ghent lay in Flemish territory.

4. The Position of Belgium at the Close of 1923

The political position of Belgium during the years immediately following the War was undoubtedly one of great difficulty, and there was a genuine feeling among her people that she had not received the full reward which she might have expected for her services to Europe. The hopes of attaining some considerable addition of territory either by annexation from Germany, or by negotiation from the Netherlands, or through the incorporation of the Grand Duchy of Luxembourg, were disappointed, and it was a small compensation that, by a concession on Great Britain's part, a portion of the former German colony of East Africa was assigned to Belgium under a mandate.[1] There was also a feeling of disappointment that the discussions regarding the status of Belgium had not been brought to a more definite and satisfactory conclusion; and, besides this, Belgium, like other countries, found herself unable to extract from Germany the full amount of Reparation to which she was legally entitled. In the summer of 1923 the Belgian Government estimated that it had actually spent over seventeen and a half milliard francs on pensions and war damages, in addition to seven and a half milliard francs paid out for the refunding of marks withdrawn from circulation at the end of the German occupation, and a further three milliard francs estimated as the cost of relief work during the occupation. Against this total of over twenty-eight milliard francs directly paid out by the state, Belgium, owing to her right of priority, had received one and a half milliard gold marks. The Belgian debt, exclusive of that created by the taking over of the railways by the state, had increased from one milliard seven hundred million francs in 1914 to thirty-six milliard francs by the 30th June, 1923. Taxation in 1923 reached a figure eight times higher than that of 1914, direct taxes alone being twelve times higher than before the War.[2]

On the other hand, by the great industry of her people, Belgium had undoubtedly re-established her commercial and industrial prosperity. She was of course just as much concerned as France in the problem of her future security. For this reason the mainten-

[1] See V (iii) below for the enlargement of the Belgian mandated territory in 1923.

[2] These figures were given in a memorandum sent to the British Ambassador in Brussels on the 27th August, 1923 (published in Belgian Grey Book: *Documents diplomatiques relatifs aux réparations*). See also II (iv) below for a discussion of Belgium's claim to Reparation.

ance of the closest friendship with both France and England was essential to her, and her statesmen looked with grave misgiving on every indication of estrangement between her two powerful allies. If any serious breach were to take place Belgium, owing to her geographical position, would be driven into a dependence upon France which might involve serious dangers in the future, while her commercial interests were largely bound up with Germany. Under these circumstances Belgium was naturally a strong advocate of the League of Nations, and M. Hymans did perhaps as much as any one to give vigour and wise guidance to the deliberations of the Council of the League during these first four critical years of its existence.[1]

(ii) The Administration of the Saar Basin by the Governing Commission under the League of Nations, 1920–3

The genesis of the régime established in the Saar Basin by the Treaty of Versailles has been described in the *History of the Peace Conference*.[2] The Treaty did three things : it transferred the coal deposits, mines, mining plant, and other appurtenances to the French state as its absolute property ; it provided for a special provisional administration of the territory in which this property was situated ; and it laid down the conditions under which, within fifteen years from the coming into force of the Treaty, the inhabitants of the territory were to indicate, by plebiscite, whether they desired the maintenance of the Treaty régime or union with France or union with Germany. On the 18th January, 1920, the French Government took possession of the property assigned to it, and it remained for the League of Nations to constitute the Governing Commission in the territory defined by the Treaty, which was not yet differentiated in fact from other enemy territory under inter-Allied occupation.

Under Article 49 of the Treaty Germany had renounced, in favour of the League of Nations in the capacity of trustee, the government of the territory previously defined, and this government was to be entrusted to a Governing Commission of five members (one citizen

[1] An excellent account of Belgian policy since the War will be found in *Belgium and Western Europe since the Peace Treaty* (translation of an address given by M. Jaspar to the British Institute of International Affairs on the 27th May, 1924).

[2] Vol. i, Ch. III, Part 2.

of France, one native inhabitant of the Saar, and three citizens of states other than France and Germany). The members were to be chosen by the Council of the League, to be appointed for one year, and to be re-eligible. The Council was also to fix their salaries; but, once they were appointed, their powers under the Treaty were extensive. They were to exercise all the powers previously possessed by the Prussian, Bavarian,[1] and Imperial German Governments, including the appointment and dismissal of officials and the creation of such administrative and representative bodies as they might deem necessary; they were to operate the railways, levy taxation, and ensure the protection of persons and property; justice was to be exercised in their name, and they were to establish a local court of appeal; and they were to enjoy the user of all public property except that assigned to the French state. On the other hand, they were to maintain the laws, regulations, and fiscal system in force on the 11th November, 1918, and might only introduce modifications in these after consultation with the elected representatives of the inhabitants. The advantages which the latter secured under the Treaty were—first and most important, exemption from the inter-Allied military occupation under which they would otherwise have remained (as inhabitants of a German territory on the left bank of the Rhine[2]); second, exemption from military service; and, third, a provision that the stipulations of the Treaty would not affect their existing nationality.

At the same time the Treaty gave France a special position in the Saar territory in several ways. She became owner of the coal mines, the greatest material asset of the region; the French state was empowered to use French money in all purchases, payments, and contracts connected with the mines and to establish schools (with instruction in French) and other institutions for the welfare of its employees; and finally the territory was to be brought almost completely within the French customs system after a delay of five years.

The Council of the League appointed M. Caclamános, the representative of Greece, to report on the action to be taken by it under this section of the Treaty. He recommended that the French member should be M. Rault (a former French official), the Saar member Herr A. von Boch, and that two other places should be

[1] A fragment of the territory had belonged to the Bavarian Palatinate.
[2] For the actual history of the military régime in the Saar during 1920–3, see below.

filled by Major Lambert (a Belgian) [1] and Count de Moltke Huitfeldt (a Dane).[1] The fifth place was soon afterwards filled by Mr. R. D. Waugh (a Canadian). He also advised that the French member should be Chairman, in view of the special relations with France into which the Commission would find itself brought. M. Caclamános's recommendations were adopted by the Council in a resolution of the 13th February, 1920, which declared that, until experience had been gained, the Council deemed it unnecessary and inadvisable to lay down in advance detailed directions for the Commission other than those given in the Annex to the Saar Chapter of the Treaty. They directed, however, that the Governing Commission was to report to them through the Secretary-General, and this direction was carried out—at first once a month and afterwards at longer intervals.

The Commission officially assumed power on the 26th February, 1920. Within the limits of the Treaty their position, during their term of office, was almost that of an independent sovereign Government. The Council of the League had left them a free hand to organize the new régime, and the Treaty itself had given them the still more important power to decide all questions arising from the interpretation of its provisions. In this, as in their other activities, their decision was to be by a majority. M. Rault was reappointed annually to the presidency and MM. Lambert and de Moltke-Huitfeldt to their places on the Commission throughout the four years under consideration. The Saar member, however, changed three times during the period and the Canadian member also changed in 1923.[2] At a special session in Paris on the 24th–28th March, 1922, the Council gave the Commission the assurance that its mandate would be renewed on two further occasions, that is to say, up to the beginning of the year 1925, at the same time reserving its rights of annual nomination.

The first problem of the Governing Commission, after its installation, was to determine its policy towards the existing body of officials in the territory. By the terms of the Treaty it had been given an entirely free hand, but a complete change of personnel would have paralysed the administration during what would in any case be a difficult transition period. This raised the question whether the officials would themselves consent, or would be per-

[1] These members did not represent their Governments, but were appointed as private individuals by the Council of the League, to whom they were responsible.

[2] See below, p. 84.

mitted by the German Government, to serve the Commission, and if so on what terms. The new régime was to run in the first instance for only fifteen years. Were the officials to be lent or seconded by the German Government for service under the Commission, or must they cease to become German officials before the Commission engaged them ; and, in either event, were they still to benefit by the civil service pension scheme of the *Reich* and by its present or future rates of pay ? On the 16th March, 1920, the Commission published an ordinance temporarily engaging the existing officials, but putting them on probation and demanding an oath of allegiance. On the 10th May, after difficult negotiations, the German Government permitted the local officials to take service with the Commission, but the latter insisted on instituting an independent, though parallel, system of pensions and pay ; and the promulgation of their scheme in a statute on the 29th July was followed by an eight days' strike of all the officials in the territory. The strike threatened to spread to the mines ; a state of siege was proclaimed ; and the Commission called upon the General commanding the French garrison, who broke the strike by courts martial and expulsions.[1] This incident raised in an acute form the question whether the maintenance of a French garrison in the province was justified under the Treaty.

Having found the territory under French military occupation, the Commission, while winding up the military administration, had requested the French Government to leave the troops in garrison ' for the protection of persons and property ' pending the formation of an adequate local gendarmerie. The German Government made perpetual protests on this subject to the League, while M. Rault maintained that the finances of the Saar would not bear the establishment of a sufficient local force to replace the French troops—and gendarmerie—who were lent free of charge, and that, after the establishment of the Court of Appeal, whose verdict might be trusted to be impartial, it would not again be necessary to proceed by court martial.[2] Finally, in June, 1921, the Council

[1] The Commission subsequently reversed some, but not all, of these sentences. See their Fifth Report to the Council (in *L. N. O. J.*, November–December, 1920) and M. Rault's special report of the 18th August, 1920.

[2] The Court of Appeal was organized in June, 1920, under the Presidency of Professor O. Nippold (Swiss), assisted by two Swiss judges, two from Alsace-Lorraine, two inhabitants of the Saar, one Belgian, one Dutchman, one Czechoslovak, and one Luxembourger. (See Fourth and Sixth Reports in *L. N. O. J.*, September, 1920, and March–April, 1921.) Civil inhabitants of the Saar were exempted from court martial by a decree of the 28th June, 1921.

requested the Governing Commission to include in its periodical reports a detailed account of the progressive reduction of the French garrison and development of the local gendarmerie. In March, 1922, the President of the Commission informed the Secretary-General of the League that the effective strength of the French garrison, which had stood at 7,977 on the 1st February, 1920, had been reduced to 2,736 ; but by April, 1923, the numbers had been increased again to nearly 4,000 (as was stated by M. Rault before the Council) in consequence of the great miners' strike which had broken out on the previous 5th February.

On the 10th July, 1920, the Governing Commission requested the French Government, and on the 23rd August the French Government agreed, to take charge of the interests of inhabitants of the Saar abroad—another source of controversy with the German Government, which was aggravated on the 28th June, 1921, by a decree of the Commission [1] defining the legal status of ' an inhabitant of the Saar '. All inhabitants were to have equal rights (e. g. to protection abroad, or to eligibility for electing or being elected to local representative bodies) ; their nationality was to be in no way affected ; and the status might be acquired by three years' residence.

The issue of this decree aroused apprehension lest it might be used in some way to prejudice the arrangements for the plebiscite. The suggestion seems to have been that if non-German residents in the Saar were officially recognized as ' inhabitants of the Saar ' an attempt might later be made to include them among those who would vote as to the final destiny of the district, and this would enable the French Government, by importing French workmen, to influence the voting. It is to be observed, however, that this could not be done without a violation or a modification of the Treaty of Versailles. By the Treaty, the right of voting in the plebiscite was specifically confined to those who were resident in 1919 ; and, in order to prevent any possibility of ' packing ' the vote, the date of residence was not fixed, as would normally have been the case, as the day when the Treaty came into force, but as the day when it was signed. Moreover, the Governing Commission had nothing to do with the arrangements for the plebiscite, which were placed directly under the control of the League of Nations. In fact, the list of voters could have been drawn up at once, since it would consist of all *bona fide* residents in the Saar who at the end of

[1] See their Eighth Report (*L. N. O. J.*, October, 1921).

June, 1919, were over five years of age. With the intention, no doubt, of allaying the apprehension which had arisen, the Council of the League took preliminary steps in this direction, and on the 26th September, 1922, appointed M. A. Bonzon (a Swiss) as its Commissioner to inquire into and provide for the preservation of the records necessary for the drawing up of the voting list. A decree embodying the measures taken by him was approved by the Council on the 23rd April and published in the Saar territory on the 9th May, 1923.

The status determined by the decree of the 28th June, 1921, was made the basis of the franchise. Elections to the pre-existing municipal and district assemblies had been held in July, 1920,[1] and on the 24th March, 1922, the Commission brought into existence, by decree, two general representative bodies—an elected Consultative Council of thirty members and a nominated Examining Committee of eight members. The elections, which were held on the 25th June, resulted in a majority of one for the *Zentrum* Party ;[2] but the Governing Commission decided not to grant the assembly the rights of initiative or interpellation and therefore made no reply to the proposals submitted during the first session.[3]

The most serious incident which occurred in the Saar territory during these four years was the miners' strike of the 5th February to the 15th May, 1923, the principal cause of which was the economic and political tension produced by the Franco-Belgian occupation of the Ruhr. The number of strikers rose to 100,000, and the Governing Commission not only strengthened the French garrison, but promulgated, on the 7th March, a provisional decree restricting the freedom of speech and of the press under heavy penalties. At a meeting of the Council of the League on the 23rd April, this decree was severely criticized by the Swedish delegate, M. Branting, who was supported by the British delegate, Mr. Wood. The French representative, M. Hanotaux, took a different view, and the decree was defended in person by M. Rault, who justified it by the exceptional circumstances. The whole matter came up for discussion in a five hours' debate in the House of Commons on the 10th May, in the course of which Sir John Simon and Mr. Asquith expressed themselves in very strong language with regard to the decree. During

[1] Fifth Report of the Governing Commission.

[2] Only 193,000 out of over 350,000 registered electors voted. The first President of the Advisory Council was Herr Kossmann.

[3] Thirteenth Report of the Governing Commission (*L. N. O. J.*, January, 1923).

the course of debate, Mr. Wood, on behalf of the Government, declared that they were

> well aware of the uneasiness and anxiety that prevails in this country in regard to the conduct of the administration of the Saar, an uneasiness which is justified by other reports which have reached them. His Majesty's Government feel that the appropriate method of dealing with the question is by an impartial inquiry conducted by the machinery of the League into the question of the general administration of the Saar territory.

This declaration of policy raised a serious issue, for the French Government were not disposed to accept this proposal of an inquiry, and there was some danger of an open conflict between the French and British Governments. At the meeting of the Council of the League on the 3rd July, however, a compromise was effected. Lord Robert Cecil, the British representative, proposed that the inquiry should be conducted by the Council of the League itself, thereby giving up the idea of a local inquiry which seems originally to have been entertained but which, as the French represented, would have completely destroyed the authority of the Governing Commission. Lord Robert Cecil, however, insisted at the same time that the discussion on the matter should be public. An agreement on procedure having thus been reached, the actual inquiry took place on the 6th July. All the members of the Governing Commission were summoned to Geneva, and at two meetings at which they were present the Council examined into the whole field of their duties under the Treaty and the questions which had arisen since their first entry into office three and a half years before. The Council evidently regarded the publicity thus attained as more efficacious than any executive action on its part. M. Branting proposed that the elected representatives of the inhabitants of the Saar should be heard, but he did not insist on this, as the proposal was strongly opposed by M. Hanotaux. In the resolution which the Council passed at the conclusion of the inquiry, they left it to the discretion of the Commission to decide when it might be advisable to return to the normal course of the law,[1] and contented themselves with recalling the responsibility of the Commission to the League for the execution of its duties in accordance with the Treaty of Versailles.

The issue of the decree of the 7th March had brought to a head the general and growing dissatisfaction felt by many with regard

[1] On the 19th June the Governing Commission had informed the Secretary-General of the League that it had withdrawn the provisional decree of the 7th March on the previous day.

to the administration of the Saar—a dissatisfaction revealed in the constant criticism to which the Governing Commission was subjected, both in the Saar Valley and in Germany and also in other countries. Much of this criticism was in reality completely irrelevant from the point of view of the Commission. It was frequently objected, for example, that the government of the Saar was contrary to sound democratic principles, and it was suggested that it was their duty to establish some form of democratic and responsible government. This criticism, however, was really directed not against the work of the Commission but against the clauses of the Treaty of Versailles, and it seemed probable that one of the motives behind it was the desire to overthrow the peace settlement in one point in which it seemed peculiarly vulnerable. Apart from this, however, points not unnaturally arose in which the actual work of the Commission itself gave an opportunity to its opponents. It was suggested, for instance, that, owing to the personality of its members, the Commission was more and more tending to become merely French, and was losing its international character. In particular, criticism was directed against the Danish member as being too much under French influence. This was probably much exaggerated, but there was more force in the point that the Chairman of the Commission, M. Rault, himself did not know any German and that he had surrounded himself with French officials. Every effort was in fact made to show that the government of the Commission was partisan. Attention was directed especially to the maintenance within the Saar of French troops, but it was also suggested that improper pressure was being brought to bear on the schools to teach French, and that the schools established in accordance with the Treaty for the employees in the mines were used as propaganda institutes.

The Commission was also criticized for its action with regard to the currency. The Treaty had opened the way for the circulation of a double currency by empowering the French Government to deal in francs in all transactions connected with the mines. The wages of the mining industry formed so large a proportion of the total income of the population that, as soon as they began to be paid in francs, they appreciably affected the general cost of living; and as the mark depreciated it was natural that workers in other trades, and Government employees, should demand to be paid likewise in the sounder currency. The advance of the franc was resisted by *rentiers* and pensioners whose fortunes were bound up

with the mark, and also on political grounds by those who regarded the driving out of the mark as a deliberate act of policy and not as the impersonal operation of an economic law. The Governing Commission gradually extended the use of the franc in their own financial dealings, and claimed that this was included by implication in their powers under the Treaty. Eventually, on the 18th May, 1923, after the struggle in the Ruhr had started the mark upon its final downward course, the Commission declared the franc to be the sole legal currency.

So far as can be ascertained, it seems that in general there was much exaggeration in the accusations brought against the Commission. Of course, the whole régime was distasteful to the inhabitants, as every one knew that it would be ; but little evidence is forthcoming that they suffered from it seriously, and in fact, except for the crisis caused by the fall of the mark and the substitution of the franc, they seem to have been in a position preferable to that which they would have enjoyed had they been in occupied territory. In one point, however, apart from the question of the troops, the Commission seem to have been to some extent at fault. They delayed for over two years in summoning the Representative Assembly which, although it only possessed advisory powers, was to be consulted before any change was made in the law or the system of taxation.[1]

One other point remains for consideration. As has been indicated, the constitution of the Commission was the subject of considerable criticism. In particular, constant protests were received against the choice of the member representing the inhabitants of the Saar. Herr von Boch, the original Saar representative, resigned in September, 1920, after the eight days' strike of the officials of the Saar territory in the preceding August. His ex-colleagues refused to accept Herr Kossmann, the substitute designated by him, and (presumably at their instance) the Council of the League on the 20th September appointed a certain Dr. Hector of Saarlouis. Although complaints were brought against him from various quarters in the Saar territory, Dr. Hector's appointment was twice renewed by the Council. In April, 1923, he resigned and the Council did not find themselves in agreement over the choice of his successor. The British and Swedish delegates abstained from voting, and the six remaining votes were cast for Dr. Land.

The Canadian delegate, Mr. R. D. Waugh, also resigned in 1923.

[1] Versailles Treaty, Part III, Section IV, Annex, Ch. II, §§ 23 and 26.

It seems that Mr. Waugh had frequently been in a minority of one on points on which it was shown by subsequent investigation that his judgement had been sound. Indeed, a state of things had apparently arisen in which the Chairman of the Commission acted independently of his colleagues and claimed to speak on their behalf, sometimes without submitting to them his proposals. This was contrary to the whole conception of the Commission, in which the responsibility was common to all the members, the Chairman being merely the first among equals. Mr. Waugh resigned on the 2nd August, 1923, and on the 20th September following Major G. W. Stephens, also a Canadian, was appointed to succeed him.

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(iii) The Allies and Germany : Political Questions

1. Introductory Note

In the period under review the most important European problem was that of the relations between Germany and the Allies. It had often happened in the past that at the end of a great war the opposing parties had quickly resumed normal relations and even entered into treaties of amity and alliance. In this case anything of the kind was impossible—largely owing to the peculiar character of the Treaty of Peace, for the Treaty, and especially the Reparation and Disarmament clauses, gave to the Allies certain far-reaching powers,

which seriously entrenched upon the sovereign jurisdiction of the German State. Under the most favourable conditions many years would have to elapse before Germany could resume her place as a free and equal member of the European community. It was an illustration of this that no opportunity was found during these years for the admission of Germany to the League of Nations. While this was primarily due to the determined opposition of France, it would clearly have been very difficult for Germany to take her place in the League so long as no settlement had been arrived at with regard to the Reparation Problem and so long as, in the opinion of the Allies, the Disarmament clauses of the Treaty had not been properly carried out; for, pending the settlement of these questions, there was stationed on the soil of Germany an Allied Commission of Control, and the country did not enjoy full independence.

Owing to its great complexity, the history of Reparation is dealt with below in a separate section, and in this place it is proposed to deal briefly with other matters arising out of the execution of the Treaty. First, however, it will be convenient to devote a brief space to a consideration of the internal condition of Germany, for there was constant interaction during these four years between the internal condition of the country and its foreign relations, and foreign relations meant almost exclusively those with the Allies. Always there was the same question: Could any Government maintain itself that was willing to do its utmost to carry out the Treaty?

The German Republic, or (as the Germans themselves called it) the *Reich*, which had been established after the Revolution of 1918, had received a formal constitution, which had been drawn up by the Constituent Assembly of Weimar in July, 1919. The President of the Republic was Herr Ebert, one of the leaders of the Moderate Socialists. The first administration was formed by a coalition between the three moderate parties, the Democrats, the Centre or Catholic Party, and the Moderate Socialists; Herr Bauer was Chancellor and the strong men of the Government were Herr Noske, Minister of Defence, who had shown great determination in suppressing a dangerous communist outbreak in Berlin at Christmas, 1919, and Herr Erzberger, the very active Catholic leader, who was Minister of Finance.

The position of the Government was, however, precarious. They had to deal with much spasmodic disorder, and they were opposed on the one hand by the more extreme nationalist parties,

who were largely monarchical in sentiment, and on the other by the more extreme socialists and by the communists, who were disappointed that the Revolution had resulted in a Government which was predominantly *bourgeois* in character. Any success won by the Right or the Left wing would have been dangerous to the peace of Europe, for the nationalists were bitterly opposed to any attempt at carrying out the Treaty of Versailles, while the communists would not improbably have welcomed some sort of alliance or understanding with the Bolsheviks. Under these circumstances it might appear to have been in the interests of the Allies to do all in their power to facilitate the task of the existing administration. Immediately after the ratification of the Treaty of Versailles, on the 10th January, 1920, a message from the President of the Republic was circulated, in which he said: 'We shall honestly endeavour to fulfil our engagements towards the Entente according to the Peace Treaty, but, if there are clauses which prove to be absolutely unrealizable, we must hope that the Entente will understand this and be able to meet us in our difficulties.'

In Germany, the demand for revision of the Treaty, which found some support in Great Britain, was associated with the controversy over the responsibility for the War. German opinion was deeply aggrieved by the forced confession of responsibility contained in Article 231 of the Treaty of Versailles, and from 1919 onwards an organized campaign was started in order to prove that this charge was unjust. With this object the German Government inaugurated an official publication of the archives of the German Foreign Office from 1870 onwards.[1] It seems to have been believed that, if this charge could be met successfully, the case for revision of the Treaty would be greatly strengthened. On the 3rd March, 1921, during the London Conference, Mr. Lloyd George definitely stated that the guilt for the War, which was repudiated by Germany, was the true basis of the Versailles Treaty. On the 12th March Dr. Simons replied to this in the *Reichstag*:

> We have no doubt signed [in the Treaty] a statement that Germany bears the sole guilt of the War, but it does not follow that this is the truth. There is no man and no woman in this House who believes that Germany was the sole cause of the War. I am very far from asserting that we were guiltless, but the world must gradually learn that it is wrong to say that Germany alone was guilty. It is our duty to do all that we can to clear up this question.

[1] *Die Grosse Politik der Europäischen Kabinette, 1871–1914* (Berlin: Deutsche Verlagsgesellschaft für Politik und Geschichte).

While he refrained from drawing any practical conclusions, unofficial writers were less cautious, and showed that the chief object of the campaign on responsibilities was to create a movement of opinion which would strengthen the case for revision.

To this no encouragement was given by the Allied Governments, who consistently maintained the position that the Treaty of Versailles must be upheld. On this point French opinion was for practical purposes unanimous. On the other hand, the refusal even to consider revision did not necessarily prevent the Allies from exercising a certain discretion in enforcing the claims against Germany, to which they were entitled by the Treaty, to their full legal limit. For instance, in October, 1920, the British Government published a decision that they did not propose to exercise their rights, under paragraph 18 of Annex 2 of Part VIII of the Treaty, to seize the property of German nationals in the United Kingdom in the case of voluntary default by Germany. This decision, which was apparently taken without consultation with the French Government, was necessary, for otherwise there would have been great difficulty in resuming commercial relations with Germany, which were so essential for British industry. A much more important matter, which came up immediately after the ratification of the Treaty in January, 1920, and by which German feeling was profoundly moved, was the question of legal proceedings against German ' war criminals ',[1] and here, again, the Allies, though they never gave up their rights under the Treaty, did not in fact insist on its being carried out. However, cases of this kind were very exceptional, and in general the Allies insisted in the most rigorous manner on full and literal execution. When difficulties of interpretation arose the Allies generally made their own interpretation, which was then enforced. In no case was external assistance or the method of arbitration accepted ; and, though on one occasion the German Government presented a memorial to the League of Nations, no further action was taken.[2] Again, in one of the crises in regard to Reparation an appeal for assistance was made to the United States, but in vain.[3] Germany, therefore, was left face to face with the Allies, who, by the occupa-

[1] See II (iii) 2 below.

[2] See II (iv), p. 131 below. On questions concerning the Saar the German Government constantly appealed to the League, but this was exceptional, for the whole question of the Saar was placed by the Treaty under the immediate control of the League of Nations, and the Allies as an organized body had nothing to do with it.

[3] See II (iv), p. 132 below.

tion of the Rhineland and the disarmament of the *Reich* as a whole, were in a position to enforce their decisions. Politically it was evidently to the interest of Germany to separate the Allies from one another ; but, although it was notorious that on many points there were real differences between Great Britain and France, these were not allowed to impede the general co-operation between the two Powers which was recognized to be essential for the preservation of European peace.

In the early spring of 1920 the internal disorder in Germany came to a head in what for the moment threatened to be a serious rising, and this led to grave international complications.

When the German army was withdrawn from France and Belgium at the end of 1918, large numbers of the men had simply left the colours and returned to their homes, many of them taking their rifles and equipment with them. Others, who joined the revolutionary movement for a time, formed a dangerous element and appeared in the Soldiers' Councils or Soviets, which attempted to carry the Revolution a stage farther in imitation of what had taken place in Russia. These had been suppressed after serious street fighting in Berlin, Hamburg, Kiel, and other large towns in the north of Germany, chiefly owing to the energy shown by Noske, the Minister of Defence.[1] Many units, however, had retreated in good order and had been formally disbanded after reaching their permanent barracks. On the whole, it was probable that the great mass of the private soldiers were only anxious to return to civilian life ; but many of the officers and non-commissioned officers were in a different situation. To them the army was a profession ; they were now to be disbanded and thrown upon the world penniless ; large numbers of them were by training and instinct bitterly opposed to the new Republican Government ; they would have desired a restoration of the Monarchy and had nothing but contempt and hatred for the men who had signed what they called the ignominious Treaty of Versailles. They formed a very dangerous element in the State. They would gladly have accepted military service of any kind abroad, but this activity was closed to them. Their numbers were increased when the German troops which, under the command of General von der Goltz, had been fighting against the Bolsheviks in the former Baltic Provinces of Russia, were withdrawn during the summer of 1919. They had not experienced defeat

[1] For the internal history of Germany from the Armistice to the latter part of the year 1919, see *H. P. C.*, vol. ii, Ch. VII.

and they refused to accept the new situation. Large numbers of them were stationed in East Prussia and Pomerania.

It was among these men that there arose what were called the *Frei Korps*, irregular formations which were organized and controlled by self-appointed leaders. At the beginning of March, 1920, the Government ordered the disbandment of one of these *Korps*, the Naval Brigade ; and in consequence Berlin was entered, on the 13th March, by a number of mutinous troops, the Government was ejected, and authority was assumed by Herr Kapp and General Luttwitz. This was really an attempt of the old army to refuse obedience to the Government, which was trying to carry out the disarmament clauses of the Treaty. The avowed demand, however, was for immediate elections both to the *Reichstag* and to the Presidency of the Republic—the soldiers being apparently actuated by the hope that they would be able to secure a monarchical majority. President Ebert and the Government at once left Berlin ; the Allied representatives in that city refused to have any dealings with a Government set up in this manner by violence ; and, though events in Berlin were imitated in Hamburg, Frankfurt, and other cities, the movement quickly collapsed. The most effective of the measures by which it was frustrated was the proclamation of a general strike, which showed that the large majority of the people, particularly of the working classes, could be depended upon to support the Republic. Throughout, the danger-point had been Bavaria and the north-eastern provinces of Prussia. There was naturally some apprehension lest there should be an attempt at interference in Danzig and the various plebiscite areas which were under the control of the Allies ; but fortunately this was averted, and no international complications resulted directly from the *coup d'état*.

On the other hand, these events had serious consequences in the Ruhr. In that thickly populated mining district the communists used the opportunity to form a Red Army, with the apparent object of overthrowing the *bourgeois* Republic and establishing by force a communist régime. They refused to disband even after the restoration of order elsewhere, and in consequence the Government of the *Reich* found itself confronted by the necessity of restoring order there. For this purpose it desired to send additional detachments of the *Reichswehr* into the Ruhr. This, however, required the consent of the Allies.

Articles 42 and 43 of the Peace Treaty, which were quite indepen-

dent of the disarmament clauses, required that not only the left bank of the Rhine, but a strip of territory fifty kilometres in breadth on the right bank, should be permanently demilitarized; no fortifications were to be maintained or constructed and 'the maintenance and the assembly of armed forces, either permanently or temporarily, and military manœuvres of any kind, as well as the upkeep of all permanent works for mobilization, are in the same way forbidden'. Special importance was attached in the Treaty to these clauses, and by Article 44 any violation of them by Germany was to be regarded as 'a hostile act against the Powers signatory of the present Treaty and as calculated to disturb the peace of the world'. The Allies were therefore very jealous of any infringement of these two Articles. None the less, it had been recognized that it was practically impossible to require that they should be carried out immediately. On the left bank of the Rhine, indeed, and also in the bridge-heads, the maintenance of order was in the hands of the occupying troops, but the Neutral Zone on the right bank included a large part of the Ruhr coal-field, as well as the town of Essen itself, and also the city of Frankfurt. It was quite out of the question to expect that the German Government could keep control over the revolutionary movement here unless they had organized armed forces to depend upon. For this reason, by a decision of the 8th August, 1919, Germany had been permitted to maintain forces up to 17,000 men in this area for a period which was due to expire on the 10th April, 1920.

On the 19th March, 1920, in view of the new crisis which had arisen, the German Government requested that this restriction might be suspended temporarily and that additional regular troops might be moved into Rhenish Westphalia. This application produced a serious difference between the British and French Governments. The British were inclined to favour the request, while taking every precaution against the concentration in the Neutral Zone of troops sufficient to endanger the position of the Allies on the Rhine. The French, on the other hand, were opposed to it. The German Government, however, did not wait for the necessary authorization; on the 3rd April a force of about 20,000 men, including cavalry and machine guns, entered the Ruhr; and during the following days a considerable amount of fighting took place, as the result of which the insurgents were overcome, many of them seeking refuge in the British Zone of the Occupied Territory. Thereupon the French, on the ground that there had been a viola-

tion of the Treaty, marched across the border of the Occupied Territory and established themselves in the towns of Frankfurt and Darmstadt on the 6th April, without having obtained the previous agreement of the British Government. The latter at once addressed a strong protest to the French Government against this separate independent action, pointing out that the whole existing system depended upon harmonious co-operation between the Allies and that separate action of a military nature taken by one Ally must necessarily have very serious consequences. The French Government responded by giving definite assurances that the occupation of the German towns would be brought to an end as soon as the German troops had evacuated the Neutral Zone, and by undertaking not to take separate action in the future. The troops were withdrawn on the 17th May.

In June, 1920, immediately after these events, the first elections took place in Germany under the new constitution, and resulted in a considerable strengthening of the extremist parties, both on the Left and on the Right. The Majority Socialists lost nearly half their numbers, though they still remained the largest party in the *Reichstag*. The consequence of this was that for the next three years, since there was no party which formed a majority,[1] the government of the country could only be carried on by a coalition, and this meant a series of weak and unstable administrations. It will be convenient to anticipate events by giving a brief survey of these.

When the result of the June elections became known, the Government resigned and, after a long crisis, Dr. Fehrenbach, a member of the Centre Party, became Chancellor, with Dr. Simons as his Foreign Secretary. The new administration depended for support on a coalition of the moderate non-socialist parties—the Centre, the Democrats, and the German People's Party—but they could depend upon some measure of support from the Majority Socialists

[1] The following is a list of the German parties and the number of their representatives in the *Reichstag*:

German National People's Party (Conservatives)	70
German People's Party (former National Liberals)	64
Centre Party or *Zentrum* (Catholics)	77
Christian People's Party and Bavarian People's Party	30
Democrats	45
Majority Socialists	130
Independent Socialists	81
Communists	2
Bavarian Peasants	4
German Hanoverian Party (Guelphs)	5

as well. They conducted the negotiations at the Spa Conference [1] and held office for the rest of the year, but resigned at the beginning of May, 1921, owing to the failure of the London Conference and the consequent presentation of an ultimatum by the Allies.[2] Eventually a new Cabinet was formed by Dr. Wirth, consisting of a coalition between the Centre, the Democrats, and the Majority Socialists, with Dr. Rosen as Foreign Minister, and this Government secured a majority in the *Reichstag* for acceptance of the London Ultimatum.[3] They resigned, however, in October, as a protest against the Upper Silesian award, and again a long crisis followed, but at length Dr. Wirth formed a new Government, accepting the Upper Silesian decision under protest. At first the Chancellor himself assumed the direction of foreign affairs, but on the 31st January, 1922, Dr. Rathenau, the eminent financier, took this very difficult post. He represented Germany at the Genoa Conference and arranged the Treaty of Rapallo with Russia.

In addition to the grave financial troubles arising out of Reparation, the Wirth Cabinet was confronted by the menace of the nationalist opposition. The murder of Erzberger on the 26th August, 1921, was followed by that of Rathenau on the 24th June, 1922. This made the introduction of special legislation for the defence of the Republic necessary, but these measures were strongly opposed in Bavaria, which was becoming more and more the centre of the intransigent nationalist movement. The deep distrust of Herr Stinnes, the great industrialist, which was felt by the socialists, led to another ministerial crisis in November, 1922, as a result of which the Government resigned on the 14th. They were succeeded by a non-party Cabinet under Herr Cuno, who had been President of the Hamburg-America Shipping Company, with Dr. Rosenberg as Foreign Minister, and to this Cabinet there fell the task of organizing and maintaining the national resistance to the French after their occupation of the Ruhr. In one way this momentarily simplified the internal situation, for all parties, from the socialists to the industrialists, were united in a great national demonstration. None the less, in August, 1923, Herr Cuno had to resign, chiefly in consequence of the financial difficulties resulting from the catastrophic fall of the mark. He was succeeded by Dr. Stresemann, one of the leaders of the old National-Liberal Party (now become the German People's Party), with a mandate to terminate passive

[1] See I (ii) above.
[2] See I (ii) above and II (iv) below.
[3] See II (iv) below.

resistance and come to an agreement with the Allies regarding the occupation of the Ruhr. The fact that Dr. Stresemann belonged to one of the national parties made it easier for him to do this than for any member of the Left. However, the Government were defeated in November, 1923, owing to the opposition of the socialists ; and, after another long crisis, Dr. Marx succeeded in forming a Cabinet with Dr. Stresemann as Foreign Minister.

This catalogue illustrates the fact that problems of foreign policy, especially that of Reparation, were the most important factors in German internal politics during these years ; yet they were almost rivalled in importance by the question of national unity.

One result of the War, the Revolution, and the Peace had been greatly to strengthen the unitary tendencies of the country. In Germany, as elsewhere, the long duration of the War had inevitably brought increased power to the Central Government, and the Revolution had the same effect for two reasons. The first of them was the establishment of republican government throughout the country, for it was in the courts of the federal princes that the sovereign powers of the constituent states had found some of their chief supporters. So long as there was a King of Saxony or Würtemberg, he necessarily formed the nucleus round which centred the traditional attachment to the historical independence of his state. In the second place, the new constitution had been drafted to a large extent under socialist influence, and German socialism had always favoured strong central control. In consequence, the old federal states were now, in theory at least, reduced to the position of *Länder* or territories, which, though they still enjoyed very extensive privileges of self-government, were subject in the last resort to the central authorities in Berlin. This tendency was strengthened by the action of the Allies, for it was to the Central Government, and to it alone, that they looked for the execution of the terms of the Treaty, and many of these could not be carried out unless the Central Government exercised unlimited power over all financial questions and over such matters as the administration of the railways. Among other things, the whole complicated system of accounts between the *Reich* and the states was done away with. This strengthening of the Central Government seems not to have been anticipated and was certainly very unwelcome, at least to the French, many of whom had always hoped that the defeat of Germany would be followed by a reversion to the situation which had existed before 1870.

It is true that there arose some opposition to these new centralizing tendencies, but this was negligible, except in the Rhineland, in Bavaria, and in East Prussia, and in the first two of these districts it was to a great extent impeded by the open support which it received from the French. The fact that a movement, which was primarily directed towards autonomy within the *Reich*, might be converted by French influence into one for separation from the *Reich*, was enough to condemn it, and it fell into the hands of men of very doubtful character.

The situation was complicated, however, by events in South Germany, and especially in Bavaria, where a movement did arise which was strongly opposed to the centralizing tendencies of the new constitution. Even the Bavarian members of the Centre or Catholic Party seceded in order to establish an independent organization called the Bavarian Catholic People's Party under the leadership of Dr. Heinz, and it was on their support that the Government of Herr von Kahr chiefly depended. While they constantly affirmed that their object was not separation from Germany, but federalism within the *Reich*, they definitely refused obedience to orders from Berlin and in particular refused to disband the *Einwohnerwehr* as required by the Allies.[1] It was insisted that the maintenance of this force was necessary for protection against communist danger—the Bavarians had not forgotten their experiences after Kurt Eisner's *coup d'état* at the end of the year 1918[2]—and in consequence Bavaria became the centre of resistance. In September, 1920, there was a great demonstration of the *Einwohnerwehr* in Munich. The situation was aggravated when General Ludendorff, who now came forward as the avowed leader of the monarchical party in Germany, took up his residence in Munich, and at the end of the year a serious extension was given to this agitation. Herr Escherich, the leader of the *Einwohnerwehr*, had formed a fresh military organization, first of all in Bavaria itself, but not contented with this he extended his activities to other parts of Germany; and while the professed aim was to maintain the constitution, to protect the life and property of the citizens, and to preserve the unity of the country against separatist tendencies, the movement seemed to contain elements which might be used for a monarchical reaction. This new organization, to which the name *Orgesch* was given, assumed considerable dimensions as far afield as East Prussia, with the avowed object of defending German territory against the

[1] See below, p. 109.

[2] See *H. P. C.*, vol. ii, Ch. VII.

danger of Bolshevik invasion; and, during a visit to Innsbruck, Herr Escherich declared himself ready to affiliate the Tyrolese *Heimatswehr* to his own *Einwohnerwehr*, a serious challenge to the Treaty of Versailles. One curious feature in the Bavarian situation was that to a certain extent the idea of a more or less independent Bavaria received encouragement from France. The French Government, for instance, accredited a diplomatic representative to the Government at Munich, a measure which was scarcely compatible with the new German constitution, and there seems little doubt that the French used the military occupation of the Bavarian Palatinate as a means for exercising pressure on Bavaria itself to separate from Prussia. In this they failed; the activities of the French in the Palatinate [1] aroused bitter feeling in Bavaria, and indeed the country became the centre of an exuberant German nationalism which expressed itself in assaults on the Inter-Allied Control Commission at Passau and Ingolstadt during 1922. Another element of confusion, and at times of disturbance, was introduced by the formation of the German National-Socialist Workmen's Party under the leadership of Adolf Hitler. Perhaps the most prominent point in Hitler's programme was his appeal to the anti-semitic feeling which was growing in Germany at the time. His party, however, seem to have had no very definite policy, beyond vague projects for the establishment of a dictatorship. They quickly had recourse to violence and may be best described as an anticipation of the Italian *Fascisti*.

2. Legal Proceedings, under Articles 227–30 of the Treaty of Versailles, against the Ex-Kaiser and the German 'War Criminals' [2]

In Article 227 of the Treaty, the Allies announced their intention of committing the ex-Kaiser to trial and demanding his extradition for this purpose from the Netherlands Government. Accordingly, on the 28th June, 1919, the date on which the Treaty was signed, the French *chargé d'affaires* at The Hague presented a note, in the name of the Allied and Associated Powers, expressing anxiety lest the Kaiser should escape, announcing the intention of the Allies to bring him to trial, and offering to relieve the Netherlands Govern-

[1] These will be dealt with in the *Survey of International Affairs for 1924*.

[2] For the diplomatic correspondence see *Bulletin de l'Institut Intermédiaire International*, July 1920. For the proceedings in the German Court at Leipzig see C. Mullins, *The Leipzig Trials* (1921, London, Witherby, 8*s*. 6*d*.).

ment of the responsibility for his custody. On the 10th July the latter Government answered in general terms that 'it must reserve to itself the free exercise of its sovereignty', whereafter the Allies, on the 15th January, 1920 (five days after the coming into force of the Treaty), lodged an official demand that the Kaiser should be delivered to them for trial, accompanied by a catalogue of the crimes for which they held him responsible. The Netherlands Government replied on the 27th January with a refusal, on the ground that its action could not be governed by Article 227 of the Versailles Treaty, to which it was not a party, and that the national tradition and honour forbade the surrender of a political refugee. In a note of the 14th February, the Allies reiterated their demand and then shifted their ground by raising the question of the safe custody of the Kaiser in Holland. On the 2nd March the Netherlands Government, while repeating its refusal to surrender the Kaiser, took advantage of the opening offered in the note of the 14th February in order to assure the Allies, in the most formal manner, that it would continue, 'in the free exercise of its sovereignty, to take on the spot all effectual precautionary measures which might be necessary and to subject the liberty of the ex-Emperor to the required restrictions'. By royal decrees, dated the 16th and the 20th March, 1920, respectively, the ex-Kaiser was assigned a residence in the Province of Utrecht and the ex-Crown Prince in the Island of Wieringen. On the 24th March the Powers addressed to the Netherlands a final note (to which the Netherlands Government did not reply) in which they expressed the opinion that 'the Netherlands Government could not escape the exclusive responsibility' for their action and its consequences 'which they had thus deliberately chosen to assume'. The only consequence, however, which had occurred by the end of the year 1923 was that the ex-Kaiser, instead of being tried, had been remarried.

Under Articles 228–30 of the Treaty, the German Government was to hand over, for trial by Allied military tribunals, German nationals specifically accused of having committed an act in violation of the laws and customs of war. In a note of the 5th November, 1919, the German Government had intimated to the Allies the seriousness of the consequences which it feared in Germany itself if these Articles were put into effect; and in a second note dated the 25th January, 1920, after the coming into force of the Treaty, it reiterated this view: declared that it would be unable to secure the arrest and delivery of accused persons specified by the Allies;

and made a definite offer to institute a trial of individuals accused by the Allies before the Supreme Court of the *Reich* at Leipzig, to remove all legal obstacles to such procedure, and to concede to each interested Allied or Associated Government the right of direct participation. After a passage of arms between M. Millerand, the President of the Peace Conference, and Herr von Lersner, the President of the German delegation,[1] the question was considered on the 13th February at the Conference of Allied Prime Ministers sitting in London,[2] and on the 16th February a note was dispatched to Berlin pronouncing the legal proceedings, contemplated by the German Government, before a German Court to be compatible with the Treaty, and announcing that the Allies intended to set up a Mixed Inter-Allied Commission to present their case. 'The Allies', it was added, 'will be careful not to interfere in any way with the procedure, the prosecutions and the judgement, in order to leave to the German Government its full and entire responsibility.' At the same time, the Allies reserved their right to exercise their full powers under the Treaty at their discretion. The Commission met on the 20th February, 1920, and decided on the 23rd to bring before the German Court three or four test cases each, concerning nationals of the three Powers represented.[3] In a note of the 10th March, 1920, the German Government informed the Allies of the procedure which it intended to follow.

The trials actually took place at Leipzig between the 23rd May and the 16th July, 1921, under three special laws passed by the *Reichstag* in December, 1919, March, 1920, and May, 1921, respectively. They were conducted under German law and on the same basis, in theory, as if all the parties had been German nationals and no burning question of international politics had been involved. There were twelve prosecutions in all and six convictions, six of the prosecutions and five of the convictions being British cases. How far the Court was successful in performing its duties impartially was bound to remain a subject of contention between the peoples concerned; but the distinguished British lawyers who served on the British mission appear to have criticized the leniency

[1] On the 3rd February, 1920, M. Millerand sent a list of accused persons to Herr von Lersner, who returned it on the same day with a refusal to forward it to his Government, whereupon M. Millerand dispatched it direct (on the 7th February, 1920) to the German Chancellor via the French *chargé d'affaires* at Berlin.

[2] See I (ii) above.

[3] Belgium, France, and Great Britain.

of the sentences more severely than the partiality of the verdicts. The results of the trials were ill received by public opinion in the Allied countries, but nevertheless the Allied Governments did not proceed to exercise their powers under Articles 228–30 of the Versailles Treaty.

3. The Execution of the Versailles Treaty

With the coming into force of the Versailles Treaty on the 10th January, 1920, the state of war between the Allies (not including the United States) and Germany came to an end, and diplomatic relations were renewed. In accordance with precedent the Allies appointed at first only a *chargé d'affaires* at Berlin. The British Government selected Lord Kilmarnock for this post, while the Germans sent to London as their *chargé d'affaires* Herr Sthamer, a Senator of Hamburg. On the 29th June, after the Spa Conference, Allied Ambassadors were accredited to Berlin, the British Ambassador being Lord D'Abernon, formerly Sir Edgar Vincent. The German Government at the same time promoted Herr Sthamer, who had filled a difficult position with dignity and success.

The delay between the signature of the Treaty and ratification had been used to explore the ground and to prepare the necessary administrative organization for its execution. During the autumn of 1919 there had been a German delegation in Paris, with which negotiations had been carried on. As has already been explained,[1] the chief organ of the Allies for the execution of the Treaty was the Conference of Ambassadors representing the Principal Allied Powers, which from this time onwards sat permanently in Paris, and to which the other Commissions reported. It had, of course, been anticipated that the United States would be represented on this Conference, and technically all the different Commissions appointed for supervising the carrying out of the Treaty required an American representative; as, however, the Senate definitely refused ratification on the 19th March, 1920, and in consequence all hope of American co-operation had to be given up, the Allies went on their way without their associate. In practice, no difficulty arose in regard to this point and all the arrangements worked smoothly.

The territorial cessions were at once carried out without difficulty,

[1] See I (i) above.

and, in those places where a plebiscite had been ordered, the plebiscite commissions were ready to start work immediately, since the difficult questions regarding their relations with the German authorities had been settled already.[1] The Saar Valley was handed over to the Commission appointed by the League of Nations, and the administration of Danzig and Memel transferred to the Principal Allied Powers. As soon as the transference of authority in the ceded territories had been completed, the various Boundary Commissions, which had to trace the new frontiers on the spot, began their work. In the tracing of certain frontiers—for instance, between Belgium and Germany in the sectors of Eupen and Malmédy, between Czechoslovakia, Poland, and Germany in various sectors, and between Poland and Germany on the right bank of the Vistula—points of difference arose which had to be referred to the Conference of Ambassadors, but in general it may be said that all this part of the Treaty was carried out without undue difficulty or delay, the work being completed within the next three years.

At the same time there immediately came into force the new arrangements for the control of the left bank of the Rhine.

4. The Occupied Territory and the Rhineland High Commission

Part XIV, Articles 428–32 of the Treaty of Versailles provided that German territory to the west of the Rhine, together with three bridgeheads beyond the river, should be occupied by Allied and Associated troops for a period of fifteen years, as a guarantee for the execution of the Treaty by Germany. In fact, this occupation merely continued the occupation which had been maintained under the terms of the Armistice since November, 1918. The limits of the occupied area under the two successive régimes were identical, for the bridgeheads mentioned in the Treaty were clearly intended to be the three bridgeheads of Cologne, Coblenz, and Mainz, which had been occupied under the Armistice. On the other hand, there was an important change in the legal and administrative conditions. Under the Armistice the final control had, of course, been in the hands of the military authorities. There had, however, been established under the control of Marshal Foch an Inter-Allied Committee for dealing with such industrial questions as might arise

[1] An account of the work of the Plebiscite Commissions has been given in *H. P. C.*, vol. ii, Ch. IV, and is therefore omitted here.

in regard to the Occupied Territories, and in April, 1919, the control over this Economic Committee had been transferred to the Supreme Economic Council. By a separate agreement [1] signed at Versailles on the same day as the Versailles Treaty itself (the 28th June, 1919), it had been determined that the occupying forces should be provided by Great Britain, France, Belgium, and the United States, and also that there should be set up a civilian body styled the Inter-Allied High Commission, which should be the supreme representative of the Allied and Associated Powers. The functions of this Commission were very strictly limited. They had the power of issuing ordinances, but only ' so far as might be necessary for securing the maintenance, safety, and requirements of the Allied and Associated forces '. Otherwise the civil administration was to remain in the hands of the German authorities, except in so far as it might be necessary to adapt the administration to the needs and circumstances of the military occupation. The Commission were given special powers with regard to all means of communication, such as railways, posts, telegraphs, and telephones. Any person who committed an offence against the armed forces of the Allies was to be handed over to their military jurisdiction. The High Commission had also the power, if necessary, of declaring a state of siege in any part of the territory or in the whole of it.

The Chairman of the Commission was M. Tirard, the French representative ; the British representative was at first Sir Harold Stewart, who was succeeded by Mr. Arnold Robertson and then, in 1921, by Lord Kilmarnock. Owing to the fact that the United States had not ratified the Treaty, no American representative could technically become a member of the Commission, but so long as the American troops continued to take part in the occupation, an American representative was present at the meetings. The authority of the Commission as a whole extended equally over all parts of the Occupied Territory, irrespective of the nationality of the troops who were stationed there. The decisions of the Commission required only a majority vote. At a later stage of the occupation this arrangement was to be of considerable importance, for it enabled the French and Belgian representatives to carry through measures to which the British representative was opposed.

In pursuance of an arrangement made at the end of 1918, the

[1] Text in British White Paper, *Agreement between the United States of America, Belgium, the British Empire and France and Germany with regard to the Military Occupation of the Territories of the Rhine* (Treaty Series, no. 7 of 1919).

British troops were stationed in a district the centre of which was Cologne, and the Americans at Coblenz, while the whole of the southern part of the area, including Mainz and the Bavarian Palatinate, was occupied by the French. On the 20th February, 1920, Bonn, which had been temporarily occupied by the British at the request of the French, was officially handed over to the latter. On the 10th January, 1923, the American troops were withdrawn from Coblenz and their place also was taken by the French. For practical purposes the administration of each area was in the hands of the authorities of the country whose troops were stationed there, and it was for them to administer the district and to apply the ordinances issued by the High Commission. The text of the Treaty, however, did not recognize any distinction between these different areas, and it would appear that the whole of the occupying armies were ultimately under the authority of Marshal Foch. In practice, there was a very marked difference in the spirit in which the occupation was carried out in the different areas.

It is evident that the task assumed by the Allies was extremely difficult. There were innumerable possibilities of conflict with the German authorities, and it was not easy in practice to fix precisely the limits of the two forms of administration which were being carried on in the same territory. On the whole, during the first three years of occupation things went fairly well, and within the British sphere, in particular, satisfactory relations were established and maintained. Numerous complaints, however, were made by the Germans regarding the character of the French administration.

In the first place, strong objections were raised to the use of Coloured troops for this purpose, and the German press, from the spring of 1920 onwards, carried on a very violent campaign on the subject. The criticism was based, first and foremost, on a question of feeling. It was represented that it was derogatory to the dignity of a civilized European nation that its population should be subjected to the control not only of North African but even of Black Senegalese troops. As against this it was pointed out that these soldiers formed an integral part of the French army ; that those who were recruited in Algeria at least were French citizens ; and that Coloured troops were stationed in many parts of France itself. There were also, however, many definite accusations of assault and violence ; yet on investigation these were not always substantiated, and on the whole it does not seem that the conduct of the French Coloured troops compared unfavourably with that of many European

soldiers in similar conditions. None the less, the feeling remained that the use of these troops had been excessive and that it was an unwise act on the part of the French Government.

Other charges brought against the French in their conduct of the occupation were that they used their position in order to gain control over the very valuable economic and industrial resources of the district, and that they made every effort to bring about a permanent separation of the left bank of the Rhine from the rest of Germany. Immediately after the defeat of Germany a strong movement had arisen, which at first was supported by the Centre Party, for the creation in the Rhineland of an autonomous state which should take its part as one of the territories (*Länder*) of the new *Reich*. There is no doubt that, from the beginning, the French did all they could to encourage this movement, which, under the leadership of Dr. Dorten, seemed to assume the form of an agitation for a real separation from Germany. The result was that in February, 1920, all the responsible political parties, including both the Centre and the Socialists, publicly dissociated themselves from it ; and on the 24th July, 1920, Dr. Dorten was arrested while in Occupied Territory by German police and was carried across the frontier into Unoccupied Germany. The High Commission, holding that this was a violation of their authority, required that he should be brought back at once into Occupied Territory and released. Some support was given to the charges against Dr. Dorten by the publication in October, 1922, of a report by the French General Dariac [1] advocating measures which would tend to separate the Rhineland from Prussia.

In consequence of the failure of the Germans to comply with the Allied demands as presented at the London Conference of the 21st February to the 14th March, 1921, the sanctions threatened by the Conference were carried out, and on the 8th March additional districts, including Ruhrort, Duisburg, and Düsseldorf, on the right bank of the Rhine, were occupied by British, French, and Belgian troops. The United States troops from Coblenz took no part. At the same time an important step was taken by the establishment of a customs line between the Occupied and Unoccupied Territories at which duties were levied on all exports and imports. The whole control of this new customs line, including the right to issue export and import permits and the power by summary decision to alter

[1] English translation published in the *Manchester Guardian*, 2nd November, 1922, and 5th March, 1923.

any of the arrangements for the duties and the tariffs, was entrusted to the Rhineland High Commission.[1]

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5. THE MILITARY CONTROL AND DISARMAMENT OF THE GERMAN *REICH*

The very difficult question of German disarmament formed the subject of Part V of the Treaty of Versailles, which may be analysed as follows:

(*a*) As regards the reduction of military forces, the total numbers of the Germany army were to be reduced within three months of the coming into force of the Treaty to 200,000 men, and by the 31st March, 1920, to 100,000. In addition to this, the Treaty contained precise directions as to the number and character of the units of which the army was to consist. The navy was to be reduced within two months of the coming into force of the Treaty to six battleships of a specified type, six light cruisers, twelve destroyers, and twelve torpedo boats. No submarines were allowed, and no military or naval air forces.

(*b*) As regards armaments, munitions, and material, the amount and nature of the armaments to be possessed by the German army or navy was precisely defined and all munitions and war material in excess of this were to be surrendered to the Allies or destroyed. No manufacture of war material of any kind was to be permitted except in factories the number and location of which had been

[1] See I (ii) above and II (iv) below.

agreed to by the Allies. All other munition factories had to be closed down.

(*c*) Compulsory service, whether for the army or navy, was abolished. There was to be only voluntary enlistment and long-time service.

(*d*) There were precise and elaborate requirements limiting and controlling the nature and extent of the machinery for military and naval organization. The General Staff was to be disbanded and all cadet schools closed, while all measures of mobilization were forbidden.

In drafting these clauses the Allies had, of course, to guard against the danger that, even though the establishment of the regular army was reduced, the German Government and the German people might maintain under other forms organized bodies of men who would be ready in effect for immediate military service. The danger of this was all the greater inasmuch as practically the whole male population of military age had served in the army and were fully trained, and would therefore be capable of assuming the character of soldiers at a moment's notice, even though they figured as civilians. Provision against this was made in Articles 162 and 177 of the Treaty, which ran as follows:

> Art. 162. The number of employees or officials of the German States, such as customs officers, forest guards and coastguards, shall not exceed that of the employees or officials functioning in these capacities in 1913.
>
> The number of gendarmes and employees or officials of the local or municipal police may only be increased to an extent corresponding to the increase of population since 1913 in the districts or municipalities in which they are employed.
>
> These employees and officials may not be assembled for military training.
>
> Art. 177. Educational establishments, the universities, societies of discharged soldiers, shooting or touring clubs, and, generally speaking, associations of every description, whatever be the age of their members, must not occupy themselves with any military matters.
>
> In particular they will be forbidden to instruct or exercise their members, or to allow them to be instructed or exercised, in the profession or use of arms.
>
> These societies, associations, educational establishments and universities must have no connexion with the Ministries of War or any other military authority.

The enforcement of these Articles was to prove a task of the gravest difficulty.

Before the War the German police had consisted of the *Ordnungs-*

polizei and the *Gendarmerie*. The former, who numbered in all about 80,000 men, were largely under local and municipal management, though regulations differed in the different states. The *Gendarmerie*, who numbered some 11,000, were armed with rifle, sabre, bayonet, and pistol, and were to some extent under military control. In no case had the Central Government of the Empire any control over the police, which was purely a state or local matter. As a result of the Revolution the control and discipline of the police had almost broken down, and there were two dangers to be met: in the first place, formal and organized risings, such as that which took place in Berlin at the end of 1919, the suppression of which required military forces; and, in the second place, special crime and disorder. For both purposes the existing police establishment was quite insufficient, and it was natural that, during the latter part of the year 1919, the German Government and people, confronted as they were by repeated communist risings and by a general condition which in many districts approached anarchy, should set to work to collect forces which could be depended upon to maintain civil order. Of these the most important was the *Sicherheitspolizei*. This was a fully organized body of men enlisted and paid by the Central Government and serving under its immediate orders. They wore uniform and were fully armed with rifles, bayonets, tanks, machine guns, &c. Thus, though technically a police force, the *Sicherheitspolizei* was in effect a military formation, and its maintenance was clearly inconsistent with the terms of the Treaty, particularly in that it was not a local or municipal institution. The numbers to which it had attained by the end of 1919 seem to have been about 75,000. Secondly, there was the *Einwohnerwehr*, a force which differed from the *Sicherheitspolizei* in many ways. It appears in reality to have been created by a spontaneous movement among the more orderly classes of the population; and, though no doubt encouraged by the Central Government, it was in essence a local and voluntary movement. The Government of the *Reich* had, at least officially, no direct responsibility for it or control over it. Recruited largely from the middle classes, as it was, the object of its existence was to protect these classes against a communist rising. While it extended over the greater part of the country, it was in South Germany, and especially in Bavaria and Würtemberg, that it had the greatest importance. Most of the men were armed with rifles. It was a force which in an emergency could be used not only to suppress

a communist rising, but also to control the government of the state. There were also other less formal organizations, such as that of the *Zeit-Freiwillige*, which was of the nature of a voluntary aid detachment, formed with the object of aiding the Government, not only in police but in other matters.

By the terms of the Treaty, the supervision of the disarmament clauses, so far as they included a time limit, was to be entrusted to Inter-Allied Commissions of Control, Military, Naval, and Aerial, and, as soon as the Treaty had been ratified, these Commissions began their work. Their duties would obviously be very arduous and delicate : they would have to carry out inspections which would extend to every kind of military establishment wherever situated and to every factory which was under suspicion of being used for military purposes. They would have to watch carefully the actions of the Central Government, and their requirements would extend not only to the ordinances issued by the executive authority, but also to the legislation necessary for making the Treaty effective. Of the three Commissions the Military, the head of which was General Nollet, was much the largest and most important. Its staff considerably exceeded 1,000 in number.

It would be impossible to give any general account of the work of these Commissions. Quite apart from other reasons, the material published at the date of writing was very inadequate. All that will be attempted here is to refer to certain points of diplomatic negotiation or political controversy in which the documents were made public either at the time or shortly afterwards.

It had soon become apparent that it would be practically impossible to insist on the military execution of the Treaty within the time allowed, and this for two reasons : first, the delay in ratification did not leave the necessary time to bring about the full reduction of the German army by the 31st March, 1920 ; secondly, Germany itself was in so disturbed a state that some concession had to be made to the Government in order to provide them with the forces necessary for the suppression of disorder. For these reasons it was determined that an additional three months should be allowed for the reduction of the regular army to the 100,000 men which the Treaty prescribed. With this, however, the German Government were not satisfied, and they asked for permission not only to maintain an army of 200,000 but also to retain a limited number of troops in the Neutral Zone for three months beyond the stipulated date (i.e. until the 10th July, 1920, instead of the 10th April). Some

discussion on these matters took place at the Conference of San Remo,[1] and the second request was granted on condition that the forces actually in the Neutral Zone should be reduced immediately to the numbers allowed by the decision of the 8th August, 1919, and that there should be a progressive reduction until by the 10th June all troops should be withdrawn. The first request was refused; but a general consideration of the enforcement of the disarmament provisions was reserved to the Spa Conference, in which it was proposed that representatives of the German Government should take part.

The matter came up for consideration again at the Boulogne Conference which met on the 21st June, 1920.[2] It was there agreed that in consequence of the internal situation in Germany the ordinary police forces might be increased from the pre-war number of 80,000 to 150,000 and that the *Gendarmerie*, who were armed with rifle, sword, and pistol, might be raised from 11,000 to 17,000. On the other hand, the Germans were required to disband the *Sicherheitspolizei* and the *Einwohnerwehr*, and the police were to be local and municipal in character and not under the control of the Central Government. At the same time a serious warning was addressed to the German Government requiring them in all other matters to carry out the terms of the Treaty.

The Spa Conference, which opened on the 5th July, 1920, was attended not only by Dr. Simons but also by Herr von Gessler, the German Minister of Defence, and by General von Seekt. The German representatives made a long statement as to the actual situation, from which it appeared that there were still some 2,000,000 rifles in the country which had not been surrendered to the Allies; instead of 2,000 machine guns allowed by the Treaty, the German Government still had 6,000 in use; similarly, instead of 250 trench mortars they had 4,000, and another 2,000 had not been accounted for, while apparently they had about five to six times the number of guns permitted by the Treaty. In answer to the suggestion that the German Government required ample means to suppress disorder, it was pointed out that the great number of rifles still in the hands of the population was in itself a grave danger to the country. The actual proposal put forward by the German representatives for the future was that the reduction of the army from 200,000 to 100,000 should be postponed and not be carried out completely until October, 1921.

[1] See I (ii) above.

[2] See I (ii) above.

As a result the Allies presented the German delegation with a formal protocol [1] containing the following demands :

(a) The immediate withdrawal of arms from the *Einwohnerwehr* and the *Sicherheitspolizei* ;
(b) The issue of a proclamation demanding the immediate surrender of all arms in the hands of the civilian population, with effective penalties and, if necessary, legislation for this purpose ;
(c) Immediate legislation for the abolition of conscription and for setting up a long service army as provided in the Treaty ;
(d) Surrender to the Allies for destruction of all arms and military equipment in excess of what was allowed by the Treaty ;
(e) Full compliance with the naval and air clauses of the Treaty so far as they were still unexecuted.

On condition that these demands were carried out, the Allies agreed to extend the period for the reduction of the *Reichswehr* by giving the German Government until the 1st October, 1920, to bring the force down to 150,000 men, and until the 1st January, 1921, to reach the definitive figure of 100,000. A number of smaller concessions which need not be enumerated here were also granted.[2] If the reduction of the *Reichswehr* by the specified times had not been carried out, or if the destruction and delivery of war material was not continued regularly, the Allies would then proceed to the occupation of a further portion of German territory, whether in the Ruhr or elsewhere, and would not evacuate it until all the above conditions had been completely executed. This protocol was officially accepted by the German Government, which undertook faithfully to observe its conditions. The instrument was signed on the 9th July, 1920.

As a consequence of this, the necessary legislation was introduced in the *Reichstag* and carried through on the 5th August. A threat by Bavaria and Würtemberg that they would not disband the *Sicherheitspolizei* and the *Einwohnerwehr* was not carried out. The surrender of rifles and the destruction of material now proceeded rapidly, and the reduction of the *Reichswehr* was achieved by the end of the year.

In October, 1920, as a further consequence of the demands made by the Allies, the German Government issued a scheme for the complete reorganization of the police throughout the *Reich*. It was significant of the increased centralization of German administration and the diminished power of the State Governments that this matter

[1] See I (ii) above.
[2] See *The Times*, 9th July, 1920.

should have been dealt with by the *Reich*. The scheme included the disbanding and disarmament of the *Einwohnerwehr*. The *Sicherheitspolizei* was not actually disbanded, but was included in the new formation which was given the name of *Schutzpolizei*. This was an armed constabulary, and was separate from and additional to both the old *Gendarmerie* and the local administrative and criminal police. Though the Allies recognized in principle the necessity for some such formation, many questions arose both in regard to the number and to the arming of this force, for evidently it would not have been difficult to give it a really military complexion. The Allies therefore objected that in effect the Germans were violating their engagements, and they required that the total number of police within the country should be brought within the limits specified in the Spa Protocol. On the 31st December, 1920, a formal note was delivered to the German Government specifying the points in which they were still in arrear.[1] These were that a large number of arms surrendered by the civil population had not been handed over for destruction; that there had been delay in the work of disbanding and disarming the *Einwohnerwehr* and the *Sicherheitspolizei*; that the necessary legislation to bring German law into harmony with the military clauses of the Treaty had not been carried out; that the delivery of war material had not been completed, and in particular that there was an excess of armaments in the two fortresses of Küstrin and Königsberg. This note led to further correspondence, and on many points the Germans protested against the legality of the demands made by the Allies.

Meanwhile, the three Commissions were busily occupied with the work of superintending the destruction of armaments and the conversion of the factories; and, considering the difficulties and complexities of the task, it seems to have been carried out on the whole with real success.

The work of the Naval Commission can be very briefly dismissed. By the summer of 1922 it had been almost completed. There remained, indeed, certain details regarding fortresses and ammunition which were under the control of the German Admiralty; but, as it was desired to withdraw the Commission as soon as possible, the suggestion was made that, by agreement with the German Government, the work entailed might be handed over to the Military Commission. This proposal, however, does not seem to have been accepted by the German Government, and in consequence

[1] See *L'Europe Nouvelle*, 9th and 16th January, 1921.

the skeleton of the Naval Commission was still being maintained at the end of 1923, though on a much reduced scale.[1]

The Air Commission under General Masterman, who had about 200 officers working with him, had to require from Germany the surrender of all aeroplanes and airships which could be used for military purposes. During the two years of its activities it dealt with 14,800 aeroplanes, nearly 30,000 motors, about 500 naval and military aeroplane or airship sheds with eleven airships, together with an enormous plant for the manufacture of hydrogen, large quantities of spare parts, &c. The work was completed by May, 1922, and on the 5th of that month the Commission was disbanded.[2] This, however, was not the end of the matter, for the Treaty of Versailles, while it prohibited any kind of military aviation in Germany, authorized the maintenance of aeroplanes for civil purposes,[3] and this raised the difficult question of how to discriminate between the different kinds of aircraft. Eventually an agreement was reached in accordance with which certain technical points in construction, speed, and carrying powers were enumerated as specially qualifying aeroplanes for use in warfare, and the possession of aircraft with these characteristics was forbidden. So long as these regulations were not transgressed, Germany could henceforward build as many aeroplanes as she desired. Evidently, however, it was necessary to provide some kind of security against these rules being transgressed, and for this purpose a new Committee of Guarantees was set up permanently with branches in Berlin, France, and Great Britain. All German workshops which manufactured flying material had to be declared, machines and pilots registered, and these lists placed at the disposal of the Committee of Guarantees. The inspection to be carried out by this Committee, not being provided for in the Treaty of Versailles, had to be the subject of a special arrangement with the German Government, which was accepted by them on the 1st May, 1922.

The work of the Military Commission was more extensive and more complicated, but on the whole, so far as the destruction of material and the control of the factories went, it was carried out with an unexpectedly small amount of opposition. Occasionally Allied officers on their visits were subject to attacks and insults, as for instance in Bavaria in the month of November, 1922. In

[1] The Naval Commission was eventually dissolved on the 30th September, 1924.

[2] See *The Times*, 5th May, 1922.

[3] See *The Times*, 16th February, 1922.

this case a fine of 500,000 gold marks was imposed. In general, however, the results aimed at were obtained. In answer to a question in the House of Commons on the 22nd March, 1923, the Under-Secretary of State stated that ' the British representative is satisfied that the reductions of the German Army contemplated by the Treaty, both in respect of men and material, have been so carried out as to constitute effective disarmament '. For example, over 30,000 guns, some 4,000,000 rifles, nearly 100,000 machine guns, and nearly 40,000,000 shells had been surrendered, and nearly all of these had been destroyed.

It appears that in the autumn of 1922 proposals were made for withdrawing the Inter-Allied Military Commission of Control on the ground that its work had been accomplished. At the same time it was proposed to leave in charge a small military committee which would exercise some supervision until the time came when the permanent system of control under the League of Nations could be inaugurated. Correspondence on this matter passed between the Allied and the German Governments, but it was never published, and all that can be said is that the proposal was not carried out at the time.

There remained, moreover, certain points on which the Allies were not satisfied. These were : first, the organization of the police ; secondly, the completion of the adaptation of munition factories to other purposes (out of some 7,000 factories of the kind about 200 had not yet been dealt with) ; thirdly, the surrender of the remaining war material in excess of the quantities allowed by the Treaty ; fourthly, the delivery of statistics of the war material possessed by Germany at the time of the Armistice (this was required in order to check the quantities of material still unsurrendered) ; fifthly, the passage of the legislative and administrative measures necessary to ensure the prohibition of the import and export of war material and to bring the recruiting system and army organization into complete conformity with the Treaty.

Shortly afterwards, in January, 1923, came the French occupation of the Ruhr, which the Germans considered to be a violation of the Treaty of Versailles, and one of the results of the increased tension between the Allies and Germany was that the Inter-Allied Military Control Commission was obliged to cease its work. So acute was the state of public opinion in Germany that it would have been impossible to send the Allied officers to visit the camps in different parts of the country. It was not until the cessation of passive resistance

at the end of 1923 that the Commission resumed its work. The later events connected with this will be related in the *Survey of International Affairs for 1925.*

(iv) The Allies and Germany: The Problem of Reparation, from the coming into force of the Versailles Treaty [1] to the Beginning of the Franco-Belgian Occupation of the Ruhr Basin.[2]

1. Introductory Note

The parties to the Reparation Question were so numerous, and their activities so extensive and so intricate, that any one who attempts to study this chapter of history is in danger of being overwhelmed by the long series of successive projects, schedules, and memoranda and of losing contact with the developments which were taking place remorselessly all the time on the plane of economic and financial reality. It is therefore advisable to lay hold of one or two guiding threads before venturing into the labyrinth, for that immense complex of international relations which is covered by the title of the present section can be explored by following several different clues.

Chronologically, the history of the Reparation Question during this period falls into two well-marked divisions: (i) from the coming into force of the Versailles Treaty on the 10th January, 1920, to the acceptance by Germany of the first Schedule of Payments on the 11th May, 1921; (ii) from the 11th May, 1921, to the Franco-Belgian occupation of the Ruhr Basin on the 11th January, 1923.

The action of the various parties concerned can also be analysed from the standpoint of the respective grounds on which it was taken. (i) In their reply, dated the 16th June, 1919, to the German observations on the conditions of peace, the Allied Powers made the following offer to consider a lump sum in settlement of Germany's Reparation liability:

> The German Delegation have greatly misinterpreted the Reparation proposals of the Treaty. These proposals confine the amount payable by Germany to what is clearly justifiable under the terms of armistice in respect of damage caused to the civilian population of the Allies

[1] The history of the Reparation Problem before this date (10th January, 1920) has been dealt with in *H. P. C.*, vol. ii, Ch. I, Parts 3 and 4; vol. v, Ch. I, Part 1.

[2] The history of the Reparation Problem will be taken up at this point (11th January, 1923) in the *Survey of International Affairs for 1924.*

> by German aggression. They do not provide for that interference in the internal life of Germany by the Reparation Commission which is alleged. They are designed to make the payment of that Reparation which Germany must pay as easy and convenient to both parties as possible and they will be interpreted in that sense. The Allied and Associated Powers, therefore, are not prepared to modify them.
>
> But they recognize, with the German Delegation, the advantage of arriving as soon as possible at the fixed and definite sum which shall be payable by Germany and accepted by the Allies. It is not possible to fix this sum to-day, for the extent of damage and the cost of repair has not yet been ascertained. They are therefore willing to accord to Germany all necessary and reasonable facilities to enable her to survey the devastated and damaged regions, and to make proposals thereafter within four months of the signing of the Treaty for a settlement of the claims under each of the categories of damage for which she is liable. If within the following two months an agreement can be reached, the exact liability of Germany will have been ascertained. If agreement has not been reached by then, the arrangement as provided in the Treaty will be executed.

This offer was embodied, with the specified time limit, in a protocol supplementary to the Treaty of Peace which was signed at Versailles on the same date (28th June, 1919) to the effect that

> from the signature of the Treaty and within the ensuing four months, Germany would be entitled to submit for examination by the Allied and Associated Powers documents and proposals in order to expedite the work connected with Reparation and thus to shorten the investigation and to accelerate the decisions.

It was in the spirit, if not formally on the basis, of this offer that the Governments of the Principal Allied Powers and Belgium attempted to arrive at a settlement by direct agreement among themselves apart from the procedure laid down in the Treaty—a procedure which, in view of Article 233, did not involve executive action on the part of the Reparation Commission until the 1st May, 1921.[1] This series of attempts to reach a solution in anticipation of the Versailles Treaty definitely broke down at the London Conference of the 21st February–14th March, 1921,[2] at which Germany declined to adopt a proposal of this nature which was suggested by the Allies, while the latter rejected a counter-proposal put forward by Germany. (ii) This breakdown of direct negotiations opened the way for an attempt to settle the problem on the basis of the Versailles Treaty, as interpreted by the Reparation

[1] It did, of course, involve the collection of information and the taking of estimates in the intervening period with a view to executive action on the 1st May, 1921.

[2] See I (ii) above.

Commission. This phase opened with the assessment of Germany's total liability by the Reparation Commission on the 27th April, 1921, and the notification of the Schedule of Payments on the 5th May following. It closed with the breakdown of the Paris Conference of the 2nd–4th January, 1923. (iii) That breakdown, again, introduced a third phase in which the French and Belgian Governments in concert, with the support of Italy, overrode Great Britain on the Reparation Commission and sought a solution by acting upon an interpretation of the Reparation Chapter of the Versailles Treaty, Annex II, § 18, with which the British Government were in formal disagreement. This phase opened with the Franco-Belgian occupation of the Ruhr Basin on the 11th January, 1923.

It will be noted that the chronological division and the analysis by basis of action coincide with one another, and the rough chart which they offer is confirmed by a third possible analysis according to the agents who played the leading part in the various phases. In the first phase the lead was taken by the statesmen of the Principal European Allied Powers and Belgium in conference, while the Reparation Commission remained in the background. In the second phase the Reparation Commission came to the front, though the Allied Governments continued to negotiate independently with one another and with Germany. In the third phase the Reparation Commission retired into the background again and the British Government likewise held aloof, while the Ruhr Basin became the scene of a struggle between the Franco-Belgian Army of Occupation and the German movement of passive resistance.

These are certain obvious guiding threads, but it must be confessed that they do not show the way through the whole of the maze, for, throughout the period, the Reparation Problem was growing both in complexity and in dimensions until it had spread its tendrils over the originally distinct questions of Inter-Allied Debts, French security (involving the inter-Allied occupation of, and the alleged Separatist Movement in, the Rhineland and the disarmament of the German *Reich*), and the economic reconstruction of all the countries which had suffered through the late War, including such problems as the restoration of the overseas trade of Great Britain. Indeed, it may be stated without exaggeration that, by the beginning of 1923, the Reparation Problem had come to dominate the entire field of international affairs with the exception of the Far East, the Pacific, and the American Continent. For the time being,

it had become the crucial problem of Western society, although there were already symptoms that, whether or not the Reparation Question were destined to be solved, the international centre of gravity might shift before long from Western Europe to the Pacific, to the astonishment of those West European Governments and peoples which had been accustomed for some centuries to regard international affairs almost exclusively from their local point of view.

2. First Phase: from the 10th January, 1920, to the 11th May, 1921 [1]

(*a*) *Activities of the Supreme Council of the Allies*

The attempt to arrive at a ' lump sum ' settlement, in accordance with the offer of the 16th June, 1919, and in anticipation of the Treaty procedure, was opened by Mr. Lloyd George at the San Remo Conference (19th–26th April, 1920).[2] Although the Conference was under the presidency of Signor Nitti, who was in favour of revising the Versailles Treaty, the French Premier, M. Millerand, succeeded in committing his colleagues to a solemn affirmation that the Treaty must be executed. On the other hand, M. Millerand was induced to join MM. Lloyd George and Nitti in inviting the German Government to a ' direct conference ' with a view to fixing Germany's total indebtedness. Thus the characteristic features of the long controversy between London and Paris appeared at the outset. The British Government could not formally impugn the legality of an instrument to which it had set its own hand and which France was determined to uphold as though it were a verbally inspired revelation, while the French Government could not altogether rule out of account the economic and political facts which the Treaty vainly ignored and which Great Britain was determined to face. The hardness of the facts, the legal validity of the Treaty, the impossibility of making the two planes of fact and theory coincide, and the inclination of either party to entrench themselves on one plane and to have as little as possible to do with the other, were a combination of circumstances which could hardly fail to produce a deadlock in both the diplomatic and the financial field,

[1] For the history of the Reparation Problem during this period, see J. M. Keynes, *A Revision of the Treaty*.

[2] See I (ii) above.

between a British policy of negotiation and a French policy of sanctions.

In the Allied note to Germany of the 26th April,[1] which was the principal outcome of the San Remo Conference on this side of its activities, the Reparation Question was handled as follows. After declaring that Germany had not fulfilled her obligations 'either for Reparation or for the cost of the Armies of Occupation', the note proceeded to specify that

> she has taken no steps, as was provided for under the protocol of the Treaty, towards ascertaining her liabilities under the head of Reparation or towards making proposals for fixing the total amount she should thus pay. Urgent as is a settlement of this nature in the interests of all concerned, she does not appear even to be considering how she is to meet her obligations as and when they mature.

After affirming the sacrosanctity of the Versailles Treaty, the Allied Governments then announced their decision:

> to invite the heads of the German Government to confer directly with the heads of the Allied Governments, and they ask that when they meet the German Government will present to them precise explanations and proposals on all matters mentioned above.

This was the genesis of the Conference of Spa.

At the first preparatory Conference of Hythe (15th–17th May, 1920)[2] M. Millerand appears to have proposed that France should be granted priority over the other claimants to Reparation. This proposal was not acceptable to the British Government and was not pressed by the French Government for the time being. On the other hand, the question of Inter-Allied Debts was introduced into the Reparation Problem in an official *communiqué*[3] issued on the 16th May:

> The British and French Governments recognize that, on the one hand, it is to the general interest that reparation for the damages caused by the war should be secured as soon as possible, and that with this

[1] Text in *The Times*, 27th April, 1920. [2] See I (ii) above.

[3] Text in *The Times*, 17th May, 1920. On the 19th May, in answer to questions in the House of Commons, the Chancellor of the Exchequer (Mr. Austen Chamberlain) declared that 'no definite arrangement of any kind was arrived at' at Hythe in regard to the repayment of the French debt to Great Britain, and that it was agreed between the two Governments that there should be 'no question of priority among the Allies [i.e. the Principal Allied Powers, excluding Belgium] in regard to the distribution of the sums available in payment of Reparation'. On the same occasion Mr. Chamberlain stated that 'the question of the debt of the British Government to the American Government is being dealt with independently of any question of the part of this country's share of the indemnity from Germany'.

object in view the necessary resources should be made effectively available without delay, and, on the other hand, that it is desirable that Germany should be put in a position to regain her financial autonomy by a speedy fulfilment of her obligations.

The two Governments are further of opinion that, in order to provide a solution for the economic difficulties which are gravely weighing upon the general situation of the world, and in order to mark a definite beginning of the era of peace, it is important to arrive at a settlement which will embrace the whole body of the international liabilities which have been left as a legacy of the war, and which will at the same time ensure a parallel liquidation of the inter-Allied war debts and of the reparation debts of the Central Empires.

Accordingly, experts from each of the two countries will be charged:

(*a*) To prepare immediately for examination by their two Governments proposals for fixing a minimum total for the German debt which will be capable of acceptation by the Allies and at the same time compatible with Germany's capacity to pay;

(*b*) To determine the methods of payment and of capitalization of Germany's debt which will be best calculated to assure the realization of the general views above expressed;

(*c*) To establish the conditions for the division between the Allies of the payments made by Germany in accordance with the agreements which, in the case of certain Allied countries, have already been arrived at and which remain to be definitely settled in the case of other Allied countries.

The appointment and the terms of reference of this Committee of Experts were the most important results of the Conference, which thus introduced the idea of a minimum total liability—to be expressed in practice in terms of a minimum annuity.

The second Conference of Hythe (19th–20th June, 1920) [1] and the Conference of Boulogne (21st–22nd June) [1] were conducted in even greater privacy than the meeting of the previous month. The two principal subjects of discussion were the preparation of an Allied counter-proposal to the offer expected from Germany (in the event of that offer being regarded by the Allies as inadequate) and the distribution of the prospective receipts from Germany between the different Allied Governments. The second of these questions was extremely delicate; while, in regard to the counter-proposal, secrecy was considered essential until the German offer had been published. Accordingly, in the *communiqué* issued at Boulogne on the 22nd June, 1920,[2] it was merely announced, in regard to Reparation, that the French complaint of alleged default in German deliveries of coal was being referred to the Reparation Commission [3]

[1] See I (ii) above. [2] *Manchester Guardian*, 23rd June, 1920.

[3] The Reparation Commission formally declared Germany in default in regard to these deliveries on the 30th June, 1920 (see p. 123 below).

and that the distribution of the prospective German payments had been referred to a Committee of Experts which was to meet at Paris and to include representatives of Italy, Belgium, and Serbia. It was believed, however, that the Allies had agreed that any 'honest proposal' freely made by Germany at the forthcoming Conference at Spa would be fairly considered, but that, in default of a German proposal acceptable to the Allies, the latter would suggest, as a counter-proposal of their own, the payment by Germany of forty-two annuities amounting to three milliard marks (gold) each for the first five years, six milliards for the next five years, and seven for the last thirty-two. After the fifth year the Reparation Commission was to have discretion to modify this programme. The scheme just outlined had been drafted by the British and French Experts and was known as the 'Boulogne Agreement', but it never received the formal adherence of the Governments concerned.

The vicissitudes of the Spa Conference (5th–16th July, 1920) have been dealt with in a previous section,[1] and in this place it is only necessary to describe the positive results achieved at Spa, and at the preliminary inter-Allied meeting in Brussels, in so far as they concerned Reparation. From this point of view, the three legacies of Spa were the Inter-Allied Agreement of the 16th July, 1920,[2] regarding the distribution of prospective receipts from Germany among the Allies themselves; the coal protocol signed on the same date by the Allies and the Germans;[3] and the German proposals for the direct reconstruction by Germany of the devastated areas in Allied countries, which were laid before the Conference by Dr. Simons on the 11th July.[4] These latter proposals were rejected by the Allies, and, apart from the coal protocol, no positive progress was made at Spa towards agreement upon either the amount or the method of the payments to be received from Germany.[5]

The distribution of these prospective and still undefined German payments among the Allies, which had been brought up at the first

[1] I (ii).

[2] Published by the British Government as a White Paper: *Cmd.* 1615 of 1922.

[3] Text in *L'Europe Nouvelle*, 25th July, 1920. For the history of coal deliveries up to that date, see Reparation Commission, *Report on the Work of the Reparation Commission from 1920 to 1922*, Ch. VII.

[4] Text in *L'Europe Nouvelle*, 19th December, 1920.

[5] Before the Spa Conference dispersed it was agreed that the question of Germany's total liability to pay should be discussed at a further conference between Allied and German statesmen to be held at Geneva later; but this was continually postponed owing to dislike of the idea on the French side.

Hythe Conference[1] and had been discussed, without agreement, by the Experts and then by the Allied statesmen at Brussels, was eventually settled at Spa, the settlement being embodied in the first two Articles of the Inter-Allied Agreement of the 16th July :

Article 1

In pursuance of Article 237 of the Treaty of Versailles, sums received from Germany under the head of Reparation shall be divided in the following proportions :

	Per cent.
British Empire	22
France	52
Italy	10
Japan	0·75
Belgium	8
Portugal	0·75

6·5 per cent. shall be reserved for Greece, Rumania, the Serb-Croat-Slovene State, and for the other Powers entitled to Reparation which are not signatories of this Agreement.

Article 2

The aggregate amount received under the head of Reparation from Austria, Bulgaria, and Hungary, together with the sums received from Italy, the Czechoslovak State, Rumania, and the Serb-Croat-Slovene State under the agreements made on September 10 and December 8, 1919, shall be divided as follows :

(*a*) One half shall be divided between the Allied Governments mentioned in Article 1 in the proportion fixed by the said Article.

[1] The Versailles Treaty provided (Art. 237) that Reparation receipts would be divided by the Allies 'in proportions which have been determined upon by them in advance on a basis of general equity and the rights of each'. At the Peace Conference, however, it had been found impossible to arrive at an agreement and the question had therefore been left over, though the text of the Treaty had been allowed to stand. Logically, the provisions of Article 237, which were eventually realized in the Spa Agreement of the 16th July, 1920, seem hardly compatible with those of Article 233, under which the Reparation Commission was to assess Germany's total liability by adding together the items of the Allied Governments' claims. Theoretically, the procedure under Article 233 would have established the proportions automatically in the course of establishing the total figure. In practice, however, as will be explained below, the Reparation Commission found it impossible to arrive at their total by a complete process of direct valuation, and the figure of 132 milliard marks (gold), which they eventually declared on the 27th April, 1921, was actually based on several conflicting estimates of the items, which happened to work out at approximately the same total. Thus the Spa percentages, though they were the result of diplomatic bargaining and not of actuarial valuation, proved serviceable even after Article 233 had been put into execution to the very imperfect extent which alone was possible in the circumstances. (See Reparation Commission, *op. cit.*, Ch. III.)

(*b*) Of the other half, Italy shall receive 40 per cent., and 60 per cent. is reserved for Greece, Rumania, the Serb-Croat-Slovene State, and for other Powers entitled to Reparation which are not signatories of this Agreement.[1]

The percentages set out in Article 1 represented a reduction of claim on the parts of France and Great Britain, for in December, 1919, France, Great Britain, and Serbia had agreed to share the total amount allotted to them in the proportions of $\frac{55}{86}$, $\frac{25}{86}$, and $\frac{6}{86}$, and France had proposed that these proportions should at the same time be treated as percentages of the total to be allotted to *all* Powers, thus leaving only 14 per cent. of the total to meet the claims of Powers other than the three above-mentioned. The other Powers had considered that this would leave altogether too little to them, and Article 1 of the Spa Agreement thus represented a compromise between the claims of the Powers concerned. The agreement was only signed by Belgium, France, Great Britain, Italy, Japan, and Portugal; but Jugoslavia subsequently agreed, on certain conditions, to come down to 5 per cent., leaving $1\frac{1}{2}$ per cent. for Greece, Rumania, and any other claimants.[2]

The two Articles above-quoted constituted Part I of the Inter-

[1] The British share was allocated as follows by agreement among the different members of the British Commonwealth:

	Per cent.
United Kingdom	86·85
Minor Colonies	0·80
Canada	4·35
Australia	4·35
New Zealand	1·75
South Africa	0·60
Newfoundland	0·10
India	1·20

[2] That is, as far as concerned the sums to be received from Germany and not from Germany's Allies, the distribution of whose prospective payments was provided for in Article 2. The relation between the Reparation obligations of Germany and the Reparation obligations of her Allies under the Peace Treaties was a complicated problem. It was not quite clear, for example, from the Treaties that Austria was to bear the burden of Reparation for all damage for which she was responsible and only for that damage. As a matter of fact, it was quite possible to construe the Peace Treaties as meaning that Germany, considered separately, was responsible for all damage done by her or her allies, and that Austria and Hungary respectively were to be made jointly responsible with Germany for such portion of the total debt as the Reparation Commission might determine, without necessarily having regard to the amount of damage done by the Austrian or the Hungarian armies. The Spa Agreement must therefore be understood as referring to the distribution of prospective payments to be made by Germany and by Germany's allies respectively, and not as referring to payments on account of damage done by Germany and payments on account of damage done by Germany's allies. The 'solidarity' of the ex-enemy Powers in the matter of Reparation leads to complications which it is almost impossible to unravel.

Allied Agreement of the 16th July. Part II (consisting of Art. 3) contained a somewhat platonic tribute to Articles 231 and 232 of the Versailles Treaty, envisaging the determination of Germany's total liability, and a more interesting suggestion—though it was no more than a suggestion—for an agreement providing for :

(1) The fixing of annuities to be paid by Germany ;
(2) The faculty for her to free herself at an earlier date by discounting some or all of these annuities ;
(3) The issue by Germany of loans destined for the internal requirements of the country and the prompt discharge of its debt to the Allied Powers.

This appears to have been the first official expression of the idea, which had been current for some time, that the best way to obtain payments from Germany was to begin by enabling her to raise a loan.

Part III (Arts. 4–13) dealt with a number of complicated problems of inter-Allied accounting.[1] For example, Belgium had been granted priority [2] up to two and a half milliard francs (gold) (£100,000,000) by the Inter-Allied Agreement of the 16th June, 1919, and Article 5 dealt with the manner in which the remainder of this Belgian priority should be met. Article 6, which laid down the method of valuation for surrendered German shipping, represented a great tactical victory for Mr. Lloyd George, for, in the case of the shipping allotted to Great Britain, the debit for inter-Allied accounts on the basis adopted at Spa was only £16,500,000 (gold), whereas the credit allowed to Germany by the Reparation Commission for the same assets was £35,500,000 (gold), the difference being due to the adoption of the market price at different dates as the basis of the respective valuations. Articles 7 and 8 provided that Germany should receive no credits for deliveries of warships or naval material, or for additional assets surrendered under the Protocol of the 10th January, 1920, in compensation for the warships sunk at Scapa Flow. Article 9 granted Italy priority in receipts from Austria, Hungary, and Bulgaria up to the amount of her 'costs of liberation'.[3] Article 10 excluded Poland from benefits except

[1] In dealing with one another, the Allies were, of course, free to make whatever valuation they chose of assets received from Germany. On the other hand, the Reparation Commission was under no obligation to adopt the same valuation in drawing up the account between the Allies as a whole and Germany.

[2] An order of priority as between certain other German payments had been established by Article 251 of the Versailles Treaty itself.

[3] See *H. P. C.*, vol. v, Ch. I, Part 1, A. 12.

'as an integral part of the former Empire of Russia', whose rights to Reparation were reserved under the Versailles Treaty, Articles 92 and 243, and the St. Germain Treaty, Article 189.[1]

The origin of the coal protocol signed on the 16th July, 1920, was a formal declaration[2] of German default in respect of coal deliveries which the Reparation Commission had notified to the Allied and Associated Governments on the 30th June. Considering this fact the agreement was all the more remarkable as a rare and signal instance in which the Allies recognized that, if they were to obtain from Germany substantial deliveries of a commodity of which they stood in need, they must offer some incentive for exertion to the German workers, upon whose individual efforts these deliveries would depend. While Germany undertook to deliver two million tons of coal per month for six months beginning on the 1st August, 1920 (Art. 1), the Allies agreed that the value of these deliveries should be credited to Germany at the German internal price, in conformity with the Versailles Treaty, Part VIII, Annex V, § 6, and that a further premium of five marks (gold) per ton, to be earmarked for the purchase of food-stuffs for the German miners, should be paid in cash by the party taking delivery (Art. 2). A system of controlling deliveries was provided for (Art. 3). Subject to the approval of the Reparation Commission, the allocation of the coal output of Upper Silesia was to be carried out by a commission on which Germany was to be represented (Art. 4). Another commission, on which Germany was likewise to be represented, was to meet at Essen in order to study means of raising the standard of living of the German miners (Art. 5). Finally, the Allied Governments consented, during the six months for which the agreement was to run, to make Germany 'an advance' (i. e. a payment in cash equal to the difference between the price to be paid under Article 2 and the f.o.b. export price either of German coal in German ports or of British coal in British ports, whichever of the two was the lower). This advance, for which a basis was found in Articles 235

[1] So far from having claims on Germany, Poland was theoretically a debtor to the Reparation Commission on account of public property transferred to her in territories ceded by Germany, which was valued at 1,730,582,000 marks (gold) out of a total of 2,504,342 marks (gold) credited to Germany under the head of non-liquid capital items transferred to other Powers (Reparation Commission, *Statement of Germany's obligations under the heading of Reparation, &c., at April 30, 1922*, p. 13). This Polish debt was placed in suspense by Article 10 of the Spa Protocol.

[2] Under the Versailles Treaty, Part VIII, Annex II, § 17. (See Reparation Commission, *Report*, 1920–2, p. 98.)

and 251 of the Versailles Treaty,[1] was to enjoy an absolute priority over all other credits standing in the name of the Allies as against Germany.[2] By a further Inter-Allied Agreement the advances were to be made by France, Great Britain, Italy, and Belgium in the proportions of 61 per cent., 24 per cent., 7 per cent., and 8 per cent., and were to be repaid, with interest at 6 per cent., not later than May 1921, out of the first Reparation payments. It was intended that Germany should repay the advances in cash, but Germany refused to accept them on those terms, and they were accordingly charged upon deliveries in kind.[3]

During the half-year for which this agreement was in force,[4] the prescribed monthly delivery of two million tons was exceeded in each of the first three months but fell short in each of the last three, the total result for the half-year being a small deficit upon what had been a very high demand. Thereafter, Germany had to continue her deliveries of coal without receiving any cash in return, and the monthly instalments actually realized sank within the next half-year to less than 1,700,000 tons.[5]

The Reparation proposals which were laid before the Spa Conference by Germany on the 11th July, 1920, have hardly more than an academic interest, since they were rejected by the Allies and exercised no immediate influence upon events. They consisted of three documents: (i) a suggestion for the reconstruction of the devastated areas by an international syndicate of private capitalists on a business footing; (ii) a suggestion for a central organization of German deliveries in kind which would supply direct the demands

[1] Article 235, which dealt with the first 20,000,000 marks (gold) payable by Germany before the 1st May, 1921 (see (*b*) below), provided that 'such supplies of food and raw materials as may be judged by the Governments of the Principal Allied and Associated Powers to be essential to enable Germany to meet her obligations for reparation may also, with the approval of the said Governments, be paid for out of the above sum'. Article 251 took account of this provision in dealing with the question of priorities.

[2] To Article 7, prescribing sanctions, the German Government reserved its consent (see I (ii) above). An annex provided for the installation of a 'permanent delegation' of the Reparation Commission at Berlin to supervise coal deliveries—an interesting anticipation of the view that some, at least, of the Reparation Commission's work could be done more effectively in Berlin than in Paris.

[3] By a decision of the Reparation Commission they were made a first charge on the value of deliveries under Annex III (ships) and Annex V (coal) of the Versailles Treaty.

[4] The Reparation Commission was made responsible for its enforcement on the 28th July, 1920, at a meeting of French and British delegates at Boulogne.

[5] Keynes, *op. cit.*, pp. 42–3; Reparation Commission, *Report*, 1920–2, p. 229.

of the victims of devastation ; and (iii) a memorandum of financial proposals. In the last-mentioned document, the German Government began, somewhat undiplomatically, by claiming that the twenty milliard marks (gold) due on the 1st May, 1921, had already been exceeded by German payments up to date. The Allies were warned that Germany's actual financial and economic condition must be taken into account, and that otherwise ' the rapid increase of the floating debt and of currency inflation would shortly annihilate Germany's entire capacity to pay '. It was submitted that the indemnity should take the form of annuities ; that a minimum total should be fixed ; that the obligation to pay annuities should not be extended beyond the thirty years contemplated in the Versailles Treaty ; that the minimum annuities should include deliveries in kind and payments for the costs of occupation ; that any supplementary annual payments should be regulated by a sliding scale ; that a maximum total should be fixed, after the payment of which Germany should be liberated from all further Reparation liabilities ; and that a joint Conference of Allied and German Experts should meet to discuss the technical aspects of these proposals.

A joint Conference of Allied and German Experts actually met at Brussels on the 16th–22nd December, 1920,[1] and discovered at least a certain margin of common ground. The German Experts gave a detailed description of the financial and economic position of Germany which was admitted to be frank and businesslike, and for the first time (and, during the period under review, the last time) Germany's capacity to pay was considered from an expert and objective point of view. The general conclusion was that the financial situation was critical but that it gave hopes of rapid recovery if a reasonable Reparation total were fixed, and that the economic situation was much better than the financial.

The Conference collected a mass of material and was to reassemble on the 10th January. Unfortunately, however, the Supreme

[1] See Keynes, *op. cit.*, pp. 17–20 ; the note handed by the Allied Experts to the German representative, Herr Bergmann, on the 7th January, 1921, which was afterwards attached as Annex 2 to the Report presented to the Supreme Council by the Allied Experts on the 14th January, 1921 (text in *L'Europe Nouvelle*, 5th February, 1921) ; the Allied Experts' Report on German Finance and the German Budget, attached to their general Report of the 14th January as Annex 1 (text in *L'Europe Nouvelle*, 12th February, 1921) ; their note on the comparative burden of taxation in Germany, France, Italy, and the United Kingdom, attached to the report of the 14th January as Annex 1 *bis* (text in *L'Europe Nouvelle, loc. cit.*) ; and finally the Report of the 14th January itself (text in *L'Europe Nouvelle*, 30th January, 1921).

Council had decided in the meanwhile to meet during January in Paris to discuss disarmament, and the atmosphere changed rapidly. The Experts began to run away from their own conclusions and the Reparation Question once again became a political issue. On political grounds the amount which Germany was to be held capable of paying could not be fixed lower than the figures of the Boulogne Agreement. The Experts therefore 'could not take the responsibility of suggesting a lower total than that indicated in the Boulogne Agreement', but proposed to fix the annuity of three milliard marks (gold) for five years only, leaving the Reparation Commission to deal with the insoluble problem of total liability. The Experts suggested, however, that this annuity should include deliveries in kind [1] as well as payments in cash (though the cash payments were not to fall below a minimum proportion of the total annuity); that the cash advances in return for deliveries of coal, provided for in the Spa Protocol, should not be renewed; but that steps should be taken for accounting for all deliveries in kind at precise valuations. The Reparation annuity was to have priority over all other charges upon the German Treasury, in accordance with the Treaty of Versailles, Article 248; [2] Germany was to pledge herself to impose special additional taxation to meet it, if necessary; and in case she failed to meet it (though in no other circumstances) the Allies were to be entitled to seize the German customs and to demand the suppression of certain expenditures provided for in the German Budget—particularly the interest and sinking fund on the internal debt (in accordance with the Versailles Treaty, Part VIII, Annex 2, § 12). It was proposed that the distribution of Upper Silesian coal should be regulated, after the plebiscite, by an Inter-Allied Commission,[3] and the various possible concessions to Germany were reviewed.[4]

[1] The percentage payable on the price of certain German commodities sold abroad, which had been recommended in the Note of the 7th January (Annex 2 of the Report of the 14th January) was to be counted as payment in kind.

[2] The Experts took care to add the following assurance: 'Toutefois, aussi longtemps que l'annuité sera payée, aucune intervention administrative dans les finances publiques allemandes ne pourra résulter de ce privilège.'

[3] For the actual settlement of this question see III (ii) 3 (*e*).

[4] The Experts pronounced against a moratorium on cash payments, a reduction of the monthly coal deliveries to a lower figure than that agreed upon in the Spa Protocol, a continuation of advances in cash against deliveries of coal, a restoration of confiscated private German property abroad or the employment of it as security for the floating of German loans on foreign markets, and against the cancellation of the forthcoming plebiscite in Upper Silesia. On the other hand, they pronounced in favour of limiting the annual cost of the Allied Armies of Occupation to 240,000,000 marks (gold) (£12,000,000); and they recommended a simplification of the various

These suggestions from the Allied Experts represented a serious attempt to promote a settlement of the Reparation Problem on practical lines, but unfortunately, for political reasons that have been mentioned in a previous section,[1] they exercised hardly more influence upon the immediate course of events than the previous German proposals of the 11th July, 1920. In spite of the fact that the Allied Experts had been nominated by the Reparation Commission for the express purpose of providing both the Commission itself and the Allied Governments with the necessary information for taking decisions, there was a great gulf between the Experts' Report and the memorandum of 'An arrangement between the Allied Powers regulating certain questions relative to the execution of the Treaty of Versailles', which was adopted on the 28th January at the Paris Conference of the 24th–30th January, 1921, and was communicated to the German delegation on the 29th. In this document[2] the Allied Governments demanded, in virtue especially of Articles 231, 232, and 238 of the Versailles Treaty, that, in addition to the restitution of property taken away, seized, or sequestrated,[3] Germany should pay two series of forty-two annuities, the one series being fixed and the other variable. In the fixed series, which was to be payable in half-yearly instalments, the first two annuities (commencing from the 1st May, 1921) were to be of two milliard marks (gold) apiece, the next three of three milliards, the next three of four, the next three of five, and the last thirty-one of six. Thus far the payments demanded by the Allied Governments for the first five years were less, by two milliards, than those suggested by the Experts; but whereas the Experts had expressly presented their figure for these years as an inclusive maximum, the Governments demanded an additional series of annuities (likewise commencing from the 1st May, 1921) amounting to 12 per cent. of the annual value of German exports (Art. 1). Thus an element

Treaty charges upon Germany, a declaration that the Allies did not intend to take advantage of the Treaty in order to oppose the legitimate development of German trade, and several practical alleviations in regard to deliveries of shipping, to the reprisals contemplated in the Versailles Treaty, Part VIII, Annex II, § 18, and to the confiscation of German property abroad. The following recommendation was significant: 'As regards Germany, she ought to be placed in a position to know definitely what obligations to expect, and to release herself from the present situation, which involves unexpected demands for payment, and thus creates situations very prejudicial to German exchange.' It was asserted that Treaty charges were being paid by Germany under forty-five heads!

[1] See I (ii) above.

[2] Text in *L'Europe Nouvelle*, 5th February, 1921.

[3] Provision for such restitution had been made in Article 238 of the Versailles Treaty.

which the Experts had specifically included in their maximum annuity under the head of deliveries in kind was imposed upon Germany by the statesmen as an additional burden—the effect being to saddle Germany with a far greater immediate liability (not to speak of the steady rise in the scale of the fixed annuities after the first five years) than the Experts had judged her able to carry. The Allied Memorandum went on to lay down a simple-seeming method of payment (Art. 2) and a table of discounts allowable for advance payments (Art. 3). The Reparation Commission was to have a veto upon the opening of any further credits abroad by the German Government or by any German public authority (Art. 4). All the German customs were to be pledged to the payment of Reparation, and the receipts were to be taken by a receiver-general ' appointed by the German Government with the approval of the Reparation Commission '. In case of default the Reparation Commission was to seize all or part of the customs receipts, with the option of taking over the administration of the customs itself. It was further empowered, in the same event, to dictate, at its discretion, to the German Government certain steps with a view to increasing Germany's public revenues. In the last resort the Reparation Commission was to notify a German default to the Allied and Associated Governments, ' who would then take such measures as they might think justifiable '.

The communication of these demands created consternation in Germany, where it had been hoped, up till the last moment, that the findings of the Brussels Conference of Experts would provide the basis for a solution of the Reparation Problem. Before the dispersal of the Paris Conference, the Allied Governments had convened the Allied Experts again, and the latter had proposed a further meeting at Brussels with their German colleagues. This proposal was rejected, however, by the German Government, which reserved all further negotiations until the assemblage of the forthcoming Conference in London, and the two groups of Experts therefore continued their labours separately, to the prejudice of the common task upon which they were engaged.

On the 20th February, 1921, the day before the London Conference assembled, the Allied Experts submitted to their Governments a second report [1] containing the following observations :

> In the first report which they presented to their Governments, the Allied Experts explained the difficulty, owing to Germany's present

[1] Text in *L'Europe Nouvelle*, 5th March, 1921.

financial situation, of deciding immediately the total sum to be paid by Germany on account of Reparation during a given number of years. For reasons of general policy, the importance of which will be universally recognized, the Paris Conference has decided, in spite of the difficulty mentioned above, to present immediately a comprehensive scheme for the payment of the total German debt.

The Germans will no doubt maintain that the sums decided on at Paris exceed any reasonable estimate of Germany's capacity to pay.

The Experts themselves might have been expected to concur with this predicted protest against a procedure which they had deprecated in their own previous report; but, out of loyalty to their principals, they exerted themselves to discover a number of reasons (which had apparently escaped their notice a few weeks before) for looking forward to a speedy return of German prosperity, until they found themselves able to conclude that 'in view of these various possibilities . . . it would be very difficult to prove that the sums fixed by the Paris Conference for Reparation payments represent a burden exceeding Germany's capacity'.[1]

Meanwhile the German Experts had been assisting Dr. Simons to prepare a counter-proposal [2] to the Allied Governments' memorandum of the 28th January, 1921, which he eventually presented on the 1st March at the Conference of London; [3] and at this stage the evil star which presided over the Reparation Problem showed itself particularly maleficent, for, if the second report of the Allied Experts was stultified by an excess of diplomacy, the German counter-proposal was rendered positively baleful by the lack of it. In their memorandum of the 28th January, the Allied Governments had put themselves diplomatically in the wrong; for, if the Reparation Question was to be settled in accordance with their letter of the 16th June, 1919, it was for Germany to make proposals to the Allies and not for the Allies to address demands to Germany, while, if the procedure of the Treaty was to run its course, the initiative lay with the Reparation Commission and no executive action was due to be taken before the forthcoming 1st May. Thus the German Government would have been on strong ground if it

[1] In a final section the report also dealt with a number of specific questions which had been referred to the Experts by the Supreme Council. The most important of these was the reduction of the costs of occupation, which had been studied, without result, by a special commission. This question is dealt with below in connexion with the Paris Conference of the 8th–13th August, 1921.

[2] Summary in Keynes, *op. cit.*, pp. 25–6, and in *L'Europe Nouvelle*, 19th March, 1921.

[3] See I (ii) above for the melodramatic history of this conference.

had either ignored the memorandum of the 28th January and put forward independent proposals of its own on the lines worked out at the Experts' Conference, or again if it had refused altogether to avail itself of the offer of the 16th June, 1919, and had taken its stand on the Versailles Treaty. Instead, however, it took into consideration the Allies' demands (thus implicitly admitting their right to make them) and then attempted to scale them down by manipulations which bore as little relation to reality as the demands themselves, but which were calculated to drive the Allied Governments to exasperation and to discredit Germany's good faith in the eyes of the world. Dr. Simons took as his basis the total of the forty-two fixed annuities demanded by the Allied Governments ; reduced this to a ' present value ' by discounting it at *eight* per cent. ; and then deducted from this reduced total the twenty milliard marks (gold) which were due from Germany, under the Versailles Treaty, Article 235, on the forthcoming 1st May, and which Dr. Simons alleged (without proof) to have been covered already by deliveries in kind.[1] Having thus brought down a figure equivalent to £11,300,000,000 to the equivalent of £1,500,000,000 and declared that this was the maximum which Germany was able to pay from first to last, he explained that she could not by any means pay the whole of this net ' present value ' immediately, but would attempt to cover £400,000,000 out of the £1,500,000,000 by an international loan and would also undertake to pay an annuity of one milliard marks (gold) (£50,000,000) for five years. This annuity was to be payable chiefly in kind and in the direct reconstruction of the devasted areas. The outstanding £1,100,000,000 on a ' present value ' basis was to bear interest, but the five annuities were to be reckoned towards this interest, and after that the interest was to accumulate at *five* per cent., though the ' present value ' of the debt had been calculated by discounting a series of annuities at *eight* per cent. In addition to this, the twelve per cent. levy on the annual value of German exports was politely brushed aside ; Germany was to be regarded as having discharged all her obligations under Part VIII, Section 1 and Annexes (Reparation), and Part IX (Financial Clauses) of the Versailles Treaty ; Article 431 of the Versailles Treaty was to take effect and the Allied Armies of Occupation were to be withdrawn ' as soon as the sum fixed in § 1 had been paid in full ' ; and the whole offer was to be con-

[1] He suggested that the actual value of the deliveries, up to date, should be assessed as soon as possible by a mixed Commission of Experts.

ditional upon the retention of Upper Silesia by the German *Reich*, and the re-establishment of freedom and equality of opportunity for all nations, including Germany, in international trade.

The truth appears to be that the Allied statesmen in drafting the memorandum of the 28th January, and Dr. Simons in formulating his counter-proposals of the 1st March, were alike dominated by the urgent necessity of propitiating public opinion in their respective countries, and were only secondarily concerned with facing the facts and seeking a practical settlement. In these circumstances the breakdown of negotiations, which occurred at the London Conference of the 21st February–14th March, 1921, and which has been recorded in a previous section,[1] was almost inevitable. The Allies' ultimatum of the 3rd March, and the application of the threatened sanctions, which was announced on the 7th March and was put into operation the next day,[2] marked the final failure to arrive at a settlement of the Reparation Problem on the basis proposed by the Allies in their letter of the 16th June, 1919.[3] The sanctions, however, did not induce the German Govern-

[1] I (ii).

[2] The sanctions consisted of (i) the military occupation of Ruhrort, Duisburg, and Düsseldorf on the threshold of the Ruhr Basin ; (ii) the erection of an Allied customs cordon round the Rhineland (carried out on the 9th April and cancelled on the 1st October, 1921) ; and (iii) the levying of a tax (reimbursable by the German Government to the German exporter) on the German imports into Allied countries. This last sanction was embodied by the British Government in the Reparation (Recovery) Act of the 24th March, 1921.

[3] In its appeal of the 10th March, 1921, to the League of Nations (see I (ii) above) the German Government took the line which it ought to have taken in reply to the Allies' memorandum of the 28th January, 1921, and, although it did so too late, after the catastrophe had occurred and the opportunity for negotiations had passed, the arguments advanced on this occasion from the German side had sufficient bearing on the subsequent course of events to deserve mention. In this document the German Government examined the claim of the Allies under the Treaty of Versailles to extend their occupation of German territory as a sanction for default in the payment of Reparation ; reduced the possible justifications for this to three passages of the Treaty, and disposed of these three passages as follows :

> None of the stipulations permits the further occupation of German territory beyond the district west of the Rhine and the bridgeheads. According to Article 429, the evacuation of the occupying troops may only be delayed if at the date of the expiration of the occupation the Allied and Associated Powers do not consider the guarantees against unprovoked aggression by Germany as sufficient. According to Article 430 evacuated territory may be reoccupied if Germany refuses to observe her obligations with regard to Reparation. No right to occupy German territory can in any way be based upon paragraph 18. This paragraph deals with economic and financial prohibitions and reprisals, and in general with such other measures as the Allied and Associated Powers may determine to be necessary under the circumstances. Occupation is the harshest conceivable measure for securing the observance of a treaty. It is therefore circum-

ment to comply with the Allied Governments' demands as formulated in the memorandum of the 28th January, and thus the Allies found themselves in the unenviable position of having taken questionable action without having secured the desired results. In the hope of justifying their sanctions *post factum* and attaining Reparation by another line of approach, they fell back upon the Treaty of Versailles and summoned the Reparation Commission to their assistance.

Note.—After appealing in vain to the League of Nations, Germany addressed herself on the 23rd March to the United States, and on the 20th April she asked formally for American mediation, pledging herself in advance to accept whatever figure for Reparation the President of the United States might consider just and equitable after examination and inquiry. On the 22nd April the United States Government declined to mediate, but asked Germany to submit a fresh scheme, though without promising to transmit this to the Allies. The German Government accordingly submitted a scheme, dated the 24th April, in which it offered a total of fifty milliard marks (gold) 'present value' (this time without deducting the hypothetical twenty milliards alleged to have been paid already) or a series of annuities not exceeding a total of two hundred milliards (§ 1); undertook to float an international loan on favourable terms (§ 2); proposed to pay 4 per cent. interest on the remainder of the total not covered by the loan (§ 3); suggested a sliding scale for any additional payments, according to some index of German national prosperity (§ 4); undertook the direct reconstruction of the devastated

> stantially prescribed under a special part of the Treaty of Peace, namely Part XIV, which includes Articles 429 and 430 and is applicable specifically in the case of failure to observe obligations with regard to Reparations. It would be preposterous to assume that the general wording of the last part of paragraph 18 would justify an occupation of territory beyond that laid down by the stipulations of Part XIV. On the contrary it can only be a question of economic measures.

The German Government went on to point out that there could not yet be any possibility of default on its part since the date (1st May, 1921) at which the first payment was due under Article 235 of the Versailles Treaty had not yet arrived, and it followed this up with a telling indictment of the action of the Allies.

> The Allies are not using the sanction for the purpose of enforcing the fulfilment of Treaty stipulations which are alleged to have been infringed. The Allies declared openly that they resorted to the application of force because they had formed the impression that Germany was endeavouring in bad faith to evade the obligations with regard to Reparation, which she had undertaken under the Treaty of Versailles. By the application of these measures of compulsion, they intend to induce Germany to submit to their proposals regarding the manner in which her obligations for Reparation are to be fulfilled. These proposals provide for a settlement of the question which differs from the provisions of the Treaty. There is therefore no obligation to accept them.

The question of the legality of extending the Allied occupation of Germany beyond the specific limits laid down in the Versailles Treaty is also discussed by J. M. Keynes in *op. cit.*, Excursus II.

areas (§ 5) and the direct delivery of material to the victims of devastation (§ 6); offered an immediate instalment of 150,000,000 marks (gold) in ready money and 850,000,000 in three months treasury bills (§ 7); offered, 'up to the measure of her capacity', to assume the obligations of the Allies towards the United States (§ 8); suggested that a method should be agreed upon, with expert advice, for a precise valuation of deliveries in kind (§ 9); broached the question of facilities and guarantees for subscribers to the proposed loan (§ 10); and finally laid down the conditions that the fulfilment of this offer should discharge Germany from all further liability in respect of Reparation, that German private property abroad should be restored, that the sanctions should be cancelled immediately, that Germany should be allowed to participate freely in international trade, and that she should be relieved of 'unproductive expenditure' (presumably in reference to the costs of occupation and control). The German Government requested the United States Government either to suggest modifications in these proposals or alternatively to transmit them, as they stood, to the Allies (§ 11). In the meantime, however, the United States Government appears to have ascertained, by private inquiry, that the Allies were not willing to consider any further German proposals (having made up their minds to let the Treaty take its course) and on the 3rd May, 1921, Mr. Hughes declined to act as an intermediary and advised the German Government to negotiate with the Allies direct. On the other hand, the United States Senate adopted, on the 1st May, 1921, the 'Knox Resolution' declaring the state of war between the United States and Germany at an end. It is to be noted that, in this resolution, the United States reserved to herself all the rights, expressly including those to Reparation, which she would have enjoyed if she had ratified the Versailles Treaty. (For texts of this correspondence between the German and United States Governments, see *L'Europe Nouvelle*, 14th May, 1921.)

(*b*) *Activities of the Reparation Commission*

The genesis and contents of the Reparation Chapter of the Versailles Treaty, and the establishment of the Reparation Commission as a standing body to put this chapter of the Treaty into execution, have been recorded in *The History of the Peace Conference of Paris*,[1] and therefore require no more than a brief recapitulation in the present volume.

The Versailles Treaty did not fix definitely either the amount to be paid by Germany on account of Reparation or the distribution of the amount between the Powers entitled to Reparation. The Peace Conference having been unable after protracted discussions to reach an agreement on these points, the questions were necessarily left open for further discussion. As regards the amount of Germany's obligation, the Treaty provided that the amount of damage under ten specific categories should be determined by the

[1] Vol. ii, Ch. I, Parts 3 and 4.

Reparation Commission after considering the claims of the Governments and after giving the German Government a just opportunity to be heard (Arts. 232–3). The Commission were to notify their decision and draw up a Schedule of Payments by the 1st May, 1921 (Art. 233). The following definite requirements were, however, laid down :

(i) Germany ' undertakes to make reimbursement of all sums which Belgium has borrowed from the Allied and Associated Governments up to the 11th November, 1918, together with interest at 5 per cent. per annum on such sums ', and to make a special issue of gold mark bonds to an equivalent amount payable not later than 1926 (Art. 232, § 3).

(ii) Germany was to pay in such manner (gold, goods or otherwise) as the Reparation Commission might fix up to the 1st May, 1921, twenty milliard marks (gold). This sum was to be used to meet (*a*) the cost of the Armies of Occupation, (*b*) such supplies of food and raw material to Germany as might be approved, and (*c*) Reparation (Art. 235).

(iii) Germany was to make specified deliveries of ships, reconstruction material, coal, and dyestuffs (Art. 236 and Annexes III, IV, V, and VI).

(iv) Germany was to issue bonds for twenty milliard marks (gold) without interest to cover her obligations under Article 235 and at the same time for forty milliard marks (gold) and to undertake to issue further bonds for another forty milliard when required (Annex II, § 12).

A general notion of the tasks imposed upon the Reparation Commission can best be conveyed by quotation from a report, issued by the Commission themselves, on their work from 1920 to 1922.[1]

> The main duty of the Reparation Commission, set up under Part VIII of the Treaty of Versailles, is the administration of that chapter, and it is in every way probable and natural that the multifarious other duties imposed upon the Commission have escaped the cognizance of the general public. The Commission is not only responsible, in addition, for the administration of the Reparation Chapters of the Treaty of St. Germain with Austria, the Treaty of Trianon with Hungary, and (though in a less degree) the Treaty of Neuilly with Bulgaria ; it has also under each of these Treaties a very large number of financial and administrative tasks to perform, some of which are of great delicacy

[1] Reparation Commission, *Report*, 1920–2. A list of the most important duties imposed by the Treaties of Versailles and St. Germain upon the Reparation Commission is printed as Appendix I to the *Report* (pp. 172–6).

and complication and which, in the aggregate, have demanded a very large share of time and energy.

Nor do its duties end with those specifically entrusted to it by the Treaties. The Commission is the one body of Inter-Allied character instituted for an extended period by the Treaties of Peace. The Governments have therefore found it expedient to charge the Commission from time to time with the duty of discussing and determining matters which, though not strictly within its competence, are at least cognate to its chief functions. It has, for instance, been the Agent of the Allied Powers for the administration of those portions of the financial chapters of the Treaties not specifically entrusted to it. It has again, at the request of the Allied Powers, undertaken the sale and dissipation of the enormous stocks of German military, naval and aeronautical war material surrendered in Germany to the Commission of Control to be destroyed or rendered useless. It has necessarily been in more or less close contact with the work of other organizations responsible for the administration of the Treaty and chiefly with the Conference of Ambassadors, the Inter-Allied Rhineland High Commission and the various Commissions of Control. It has necessarily taken an interest on various occasions in the reaction on Germany's economic and financial position, and thus on Reparation, of the fulfilment or non-fulfilment of the stipulations contained in the Economic Clauses, and in particular of the provisions for the liquidation of pre-war debts between Germany and Allied nationals and the settlement of claims arising out of war legislation for the sequestration of private property.

Under the Treaty (Part VIII, Annex 2) the Commission was composed of delegates representing Great Britain, France, Italy, the United States,[1] Belgium, Japan and Jugoslavia. Only five delegates were to sit and vote at any given meeting—the first four Powers having the right to be represented at all meetings and Belgium on all except certain specified occasions on which Japan or Jugoslavia was to occupy the fifth place. Other Allied States were to be represented by assessors, without a vote, in cases where their interests were involved. In order to fulfil their functions, the Commission provided themselves with a Secretariat; with three main administrative services (Finance, Restitution and Reparation in Kind, and Maritime [2]); and with a Valuation Service,[3] a Legal Service, and Accounting and Intelligence Departments. The staff was drawn indifferently from nationals of the various countries represented on the Commission, while each delegate was also assisted by a staff of his own for the conduct of his country's business

[1] The United States never appointed a delegate owing to her omission to ratify the Treaty, but she was represented on the Commission by an observer, assisted by an unofficial delegation, except during the critical days between the 19th February and the 10th May, 1921.

[2] Liquidated on the 31st August, 1921.

[3] Disbanded on the 1st May, 1921.

with the Commission. The Commission were not bound by any particular code of law or rules of evidence or procedure, but were required to act consistently on whatever principles they decided to follow (Annex II, § 11); they were empowered to interpret the Reparation Chapter (but only that chapter) of the Treaty (§ 12); and their decisions were to be taken by a majority vote, except in six specified cases (§ 13), including that of interpreting the Reparation clauses, for which unanimity was required.[1] When interpreting these clauses, the Commission were deemed to be acting as a tribunal in a judicial capacity, which would imply that in this case the individual members were not acting as delegates of their respective Governments.

The Reparation Commission, which had been brought into existence because the Principal Allied and Associated Powers had failed to assess and exact Reparation at the Peace Conference, were naturally not required to perform immediately what had proved to be beyond the capacity of their creators and principals. During the first sixteen months after the coming into force of the Treaty, while the Allied Governments were engaged in those explorations of a possible settlement in anticipation of the Treaty which have been described above,[2] the Reparation Commission were employed, in accordance with the Treaty, upon preparatory work, which did not involve executive action against Germany until the 1st May, 1921. During the period ending on the 30th April, 1921, the Commission had two main tasks to perform. It had to establish the total of the damages inflicted by Germany and secondly it was responsible, under the terms of Article 235 of the Treaty, for the collection, as a first instalment of the Reparation due by Germany, of cash and commodities to the value of twenty milliard gold marks.[3]

In regard to the execution of Article 235,[4] the Organization Committee of the Reparation Commission, before the coming into force of the Versailles Treaty and the entry of the Commission themselves upon their official existence, had already raised the question whether Germany could be required, under the terms of the

[1] The Reparation clauses did not give the Chairman of the Commission a casting vote, but it was held that he possessed a casting vote under a general clause in the Treaty (Art. 437). During the period under review, the Chairman of the Commission was always French, and thus, in the absence of a United States delegate, the casting vote gave the French and Belgian delegates a majority.

[2] Sub-section (*a*).

[3] Reparation Commission, *Report*, 1920–2, p. 10.

[4] For the history of the transactions which arose out of this article see Reparation Commission, *op. cit.*, Ch. II.

Treaty, to hand over all the foreign securities still remaining in the hands of her nationals as a contribution towards the twenty milliard marks (gold) due by the 1st May, 1921, or whether she could only be compelled to surrender certain categories specified in Articles 260 and 297. The Reparation Commission referred the question to their legal advisers and were confronted with a difference of opinion, which was reflected among the delegates themselves. Since questions of interpretation were one of the subjects on which unanimity was required (Annex II, § 13), and since no provision existed at this time for arbitration in case of divergent interpretations,[1] the Commission found themselves in an *impasse*, and could do no more than request the German Government to inform them as soon as possible how it proposed to carry out Article 235. When, at this juncture, the Allied Governments initiated their series of attempts—beginning at the San Remo Conference of the 19th–26th April, 1920—to settle the Reparation Problem themselves on the lines of their letter of the 16th June, 1919, the Reparation Commission were thankful to let Article 235 rest for the time being,[2] and to concentrate upon the lengthy and laborious but non-executive work of receiving and reviewing the Allies' claims to Reparation and working out an assessment of Germany's liabilities. The date on which the first twenty milliard marks (gold) were due was still more than a year distant, and at any moment, so it seemed, the Reparation Question might be settled by a direct agreement between the Allies and Germany which would anticipate the execution of Article 235 and so render it superfluous to resolve the difficulty which had arisen over its interpretation ; but as the 1st May, 1921, approached and the prospect of a solution in anticipation of the Treaty grew more and more remote, the Reparation Commission felt it advisable to refer the execution of Article 235 to a sub-committee, and the question was brought to a head on the 20th January, 1921, by the receipt from the German Government of a memorandum [3] setting out the deliveries effected under the

[1] The Supreme Council agreed on the 13th August, 1921, that a clause providing for this should be added to the Treaty (Part VIII, Annex II, § 13 *bis* : text in Reparation Commission, *op. cit.*, p. 13), but the formal steps to effect this were not taken during the period under review.

[2] On the 23rd June, 1920, the German Government announced that it would subsequently forward a request to the Commission and ask that all deliveries which Germany had already made, or would make before the 1st May, 1921, should be credited against the twenty milliard gold marks mentioned in Article 235 (Reparation Commission *communiqué* No. 35 of the 16th March, 1921).

[3] Promised in the German Government's letter of the 23rd June, 1920.

Peace Treaty and Armistice Agreements which, in the German Government's opinion, were to be credited to it on Reparation account and which it valued at a total of over twenty-one milliard marks (gold) under all heads.

In this memorandum the German Government did not claim explicitly that all these credits were to be reckoned in settlement of its liabilities under Article 235, but in their reply of the 26th February the Reparation Commission not only reserved their acceptance of the German valuations, particularly in regard to shipping and to transferred government property, but entered a *caveat* that three items, valued by the German Government at a total of over five and a half milliard marks (gold), could not be reckoned in any case as credits against Article 235, since they were capital assets, whereas deliveries to be credited under Article 235 must be capable of being put into liquid form (on the ground that the object of the payment of the twenty milliards under this Article was stated to be to enable the Allied and Associated Powers to proceed *at once* to the restoration of their industrial and economic life). The note concluded with a warning that 'the final account under Article 235 could not, in present conditions, fail to reveal a deficit of at least twelve milliards'.

The *caveat* thus entered by the Reparation Commission was justified by the terms of Dr. Simons's note presented on the 1st March to the Allied Governments, in which he claimed that the twenty milliards due on the 1st May had been covered by deliveries already,[1] and by a note addressed by Germany to the Reparation Commission on the 14th March, in which both the principles laid down and the counter-valuations put forward in the Reparation Commission's note of the 26th February were disputed. The Reparation Commission replied to this note on the 15th March by formally notifying that a balance of at least twelve milliards would be required from Germany by the 1st May in fulfilment of Article 235; demanding a first instalment of one milliard before the 23rd March, and also calling for the submission, by the 1st April, of proposals for raising a foreign loan to meet the eleven milliards that would remain to be covered under this head. On the 22nd March the German Government asked for a hearing in regard to the credits to be accorded to it, up to date, in respect of Article 235. On the 24th March the Reparation Commission refused this request, on the ground that it was not supported by the terms of the Ver-

[1] See p. 130 above.

sailles Treaty, and declared that any deficit remaining on the twenty milliards due by the 1st May could not be carried forward ; that the text of Article 235 was imperative and that failure to carry out this article rendered Germany liable to penalties in the same way as any other default in respect of her obligations ; that the German Government by sending a definite negative reply to the general requirement of the Commission to carry out the stipulations of Article 235 and in particular by refusing to pay the specific sum of one milliard gold marks required by the 22nd March was in default in respect of the performance of her obligations and engagements ; and that the Reparation Commission had therefore decided to give immediate notice of such default to the Powers interested. This notification duly followed, and thus the sanctions which the Allied Governments had put into operation against Germany on the 8th March were covered with a cloak of legality, by being brought retrospectively within the terms of the Treaty, before the month was out.

Neither the Governments nor the Reparation Commission, however, had succeeded in attaining the practical results which were the object of their respective activities, and on the 16th April the Reparation Commission therefore returned to the charge with an ultimatum demanding that 'the German Government should forthwith, not later than the 1st May, 1921, transfer to the branch offices of the *Reichsbank* at Cologne or at Coblenz the whole of the *Reichsbank's* metallic reserve' ; and threatening, in default of a satisfactory answer by the 22nd April, to require, in pursuance of Article 235, that the metal reserve of the *Reichsbank* should be handed over immediately. On the 22nd April the German Government pointed out the serious effect which compliance with the Reparation Commission's demand would be likely to have upon the German exchange, and proposed as an alternative that the provisions of Article 248, § 2, forbidding the export or disposal of gold by the German Government without the previous approval of the Reparation Commission, should be extended from the 1st May, 1921, to the 1st October. On the 25th April the Reparation Commission retorted with a demand for one milliard marks (gold) on or before the 30th April ; on the 29th the German Government replied by referring to the offer contained in the memorandum addressed to the United States Government on the 24th ;[1] and on the 3rd May the Reparation Commission again notified both the

[1] See p. 132 above.

German [1] and the Allied Governments that Germany was in default —this time not merely in respect of the one milliard which had been required before the 23rd March but to the extent of at least twelve milliards on account of the total deficit on the twenty milliards due by the 1st May.[2]

> The amount which Germany had paid up to the 1st May, 1921, proved to be not more than sufficient to pay for the costs of occupation, exclusive of the costs of the United States Army. At that date, then, Germany had paid no Reparation, and the total indebtedness as found by the Commission still remained intact.[3]

The default in respect of these twelve milliards was one of the grounds advanced by the Allied Governments for the fresh sanctions with which they threatened Germany in their ultimatum of the 5th May, 1921;[4] but, in spite of this, the immediate payment of that sum was not included among their demands on this occasion, since the money was evidently not forthcoming. Under the Schedule of Payments which was likewise notified on the 5th May (Art. 5), the Reparation Commission demanded the payment within twenty-five days of one milliard marks (gold) ' in gold or approved foreign currencies or approved foreign bills or in drafts at three months on the German Treasury payable in foreign currencies outside Germany ' ; but, instead of being specifically earmarked to Article 235, this first payment was to be an instalment towards the discharge of Germany's total liabilities, which the Reparation Commission had declared, meanwhile, on the 27th April. Thus, with the acceptance of the ultimatum by Germany on the 11th May, Article 235 of the Versailles Treaty was allowed to pass into oblivion, and the newly declared Schedule of Payments dominated the Reparation Problem in its next phase. Before discussing this Schedule, it is necessary to trace the process by which the Reparation Commission had arrived at its estimate of Germany's total liability

[1] Text of the notification to Germany in Reparation Commission *communiqué* of the 3rd May, 1921.

[2] For the figures see Reparation Commission, *Statement of Germany's obligations at April 30th, 1922*, especially Tables III and VI. The Reparation Commission eventually valued the total deliveries under Article 235 up to the 30th April, 1921 (after deducting the value of non-liquid assets) at rather more than seven and a half milliard marks (gold), but of these nearly five milliards consisted of gold deliveries and other payments for food and raw materials received by Germany and of direct contributions to the costs of occupation, leaving a Reparation balance of 2,596,000,000 marks (gold), as against 2,131,904,000 marks (gold) actually paid out by France, Great Britain, and Belgium for the costs of occupation up to date.

[3] Reparation Commission, *op. cit.*, p. 23.

[4] See p. 148 below.

under the Versailles Treaty, Articles 231, 232, and 233, and Part VIII, Annex I.[1]

The procedure adopted by the Reparation Commission for the execution of this task may be described in the Commission's own words :

> The Commission's duty was clearly defined. It had to effect a valuation of claims submitted by the Allied and Associated Powers for specific categories of damage.
>
> The general lines of the procedure adopted, which will be explained in some detail, were the following.
>
> Each Government concerned collected and checked the individual claims of its nationals. It grouped them in categories and forwarded to the Reparation Commission the total arising under each category. The totals constituted the claims of the Governments who submitted them to the Commission.
>
> The claims thus drawn up by the Allied Governments, before being examined by the Commission, were transmitted to the German Government for observations. With these observations before it, the Commission then examined the substance of the claims made by the Allied Governments, and finally, in a judicial capacity, pronounced upon the monetary loss represented by the damages in question.
>
> It is worth adding that the total represented the comprehensive damage, and cannot be split into component elements representing the approved claims of individual Powers, as will emerge more clearly from the succeeding statement as to the means by which the total was established. It was not indeed contemplated by the Treaty that the Commission should find individual totals, and under the Treaty's scheme there was no particular interest in such a procedure being adopted. Article 237 of the Treaty provides that the German payments ' will be divided by the Allied and Associated Governments in proportions which have been determined upon by them in advance on a basis of general equity and of the rights of each ' (' Seront répartis par les Gouvernements alliés et associés suivant les proportions déterminées par eux à l'avance et fondées sur l'équité et les droits de chacun '), and in practice the basis of distribution up to 93·5 per cent. was settled in July, 1920, at the Inter-Allied Conference at Spa.[2]

In this field, again, as in regard to Article 235, the work of the Reparation Commission was largely suspended during the attempt to arrive at a ' lump sum settlement ' by direct negotiations between the Governments, and it was not till the beginning of February, 1921, when it became known that the German Government was unwilling to accept the Supreme Council's memorandum of the

[1] For the transactions relating to this assessment see Reparation Commission, *Report*, 1920–2, Ch. III.

[2] A later agreement fixed the share of the Serb-Croat-Slovene State at 5 per cent., thus raising the proportion allocated to 98½ per cent. of the total to be received. See p. 121 above.

28th January, 1921, and was formulating counter-proposals, that it became 'perfectly clear that the Reparation Commission would have to proceed with its Treaty duties and find the total of damages'. The first step was to obtain statements of claims from the Allied Governments, and the Reparation Commission had already circularized them, with this object, on the 17th May, 1920, and again at the beginning of October. On this second occasion estimates under four main heads were asked for by the 1st November, and each of the four Powers concerned was requested to supply a sufficiently complete statement of the methods employed to arrive at its estimate under one particular head to serve the Reparation Commission as a basis for making a statistical estimate of the claims of all other parties in the same category. Only one such 'standard claim',[1] however, had been submitted by the date laid down, and the Reparation Commission therefore found itself compelled, in January, 1921, to abandon this statistical method of assessment and simply to inform the Allied and Associated Governments that it would be unable to consider any claim not received before the 12th February. The Reparation Commission proceeded to lay down a time-table of the successive dates at which claims received by the 12th February were to be communicated to the German *Kriegslastenkommission*, the observations of the *Kriegslastenkommission* to be submitted to the Reparation Commission, counter-observations to be filed by the claimants and again by the *Kriegslastenkommission* (if the parties so desired), and a hearing upon each claim to be given by the Reparation Commission to the German Government in accordance with the Versailles Treaty, Article 233, § 2. This time-table was successfully carried out, the hearings of the German Government being completed on the 12th April, 1921, after sittings which had extended over ninety hours. At the conclusion of the hearings the head of the German Delegation, Herr Ruppel, made a statement in which he expressed appreciation of the Reparation Commission's work but at the same time declared his conviction that 'only a fraction of the total overcharge' had been brought to light, while, in a letter dated the 22nd April, the German Government formally declined to admit that it had been given the 'just opportunity to be heard' which was stipulated in the Treaty. Meanwhile, the Reparation Commission proceeded, on the basis of the data with which they had now been supplied by all the interested parties, to assess the total amount of damage for

[1] The British claim for losses at sea.

which Reparation was due.[1] This necessitated a wide exercise of the Reparation Commission's powers of interpretation—particularly in regard to the rate of conversion of the various approved claims into gold marks with a view to presenting the account to Germany. In the case of pensions it was decided after long deliberation that 'the most equitable method of arriving at the capitalized value of pensions in gold marks for all countries was to make the calculations in French francs as on the 10th January, 1920,[2] and to convert the amount so arrived at into gold marks at the rate of 2·20 francs to the gold mark', while other damages were grouped for this purpose into five categories, each of which was treated in a different way. Considering the pressure under which the Reparation Commission was working during the last few weeks before the 1st May, 1921, and the complexity of their task, of which some indication has been given above, it was hardly surprising that the delegates should differ among themselves in their valuation of the several items of the account;[3] but the members of the Commission appear to have arrived, by different roads, at approximately the same conclusions in regard to the total demand, and they were thus able to agree upon a figure, in gold marks, which Germany was to be required to pay.[4] Their decision was announced on the 27th April, 1921, in the following terms:

> The Reparation Commission, in pursuance of the stipulations of Article 233 of the Treaty of Versailles, decided unanimously to fix at 132 milliard marks (gold) the amount of the damage for which Reparation was due from Germany, under Article 232, paragraph 2, and Annex I of Part VIII of the said Treaty.[5]
>
> In fixing this figure the Commission had left out of account that amount of damages in respect of which restitution had been or was to be made in execution of Article 238, and no credit would consequently be due to Germany on account of such restitutions.
>
> The Commission did not include in the above figure the sum representing the further obligation incumbent on Germany, in terms of the

[1] For a complete table of the various claims submitted, in the national currencies, see Reparation Commission, *Report*, 1920–2, p. 190 A.

[2] i. e. the date of the coming into force of the Versailles Treaty.

[3] It must also be remembered that each claimant was specially interested in some particular category of damage and might therefore be tempted to take a partial view of the relative rates at which the several categories should be valued.

[4] Reparation Commission, *Report*, 1920–2, p. 35.

[5] This figure, though it may have been beyond Germany's capacity, was at least 50 per cent. lower than almost all the anticipatory estimates (for example, the total implied in the Allies' memorandum of the 28th January, 1921) except that of Mr. J. M. Keynes, who had suggested 137 milliards as the probable amount of the damages recoverable under the Treaty from Germany.

third paragraph of Article 232, 'to make reimbursement of all sums which Belgium has borrowed from the Allied and Associated Governments up to the 11th November, 1918, together with interest at the rate of 5 per cent. per annum on such sums'.

On the 28th April this decision was notified to the German Government.[1] In the meantime the Allied Governments, having failed to come to a direct arrangement with Germany and having therefore decided to bring the Versailles Treaty into play, were preparing to take a hand in the dealings between Germany and the Reparation Commission. On the 15th April, 1921, it was announced that MM. Briand and Lloyd George were to meet at Lympne (Hythe) on the 23rd, and on the 20th that Allied Experts were studying further sanctions—including, this time, the occupation of the Ruhr Basin—which were to be imposed on Germany in case she refused to accept the liabilities due to be assessed upon her on the 1st May. The meeting of the two Prime Ministers took place, at the *rendezvous* arranged, on the 23rd–25th April,[2] and they agreed, first, that a meeting of the Supreme Council should be summoned for the eve of the 1st May, and secondly that certain sanctions, including (as foreshadowed) the occupation of the Ruhr Basin, should be applied to Germany if she showed herself contumacious. The Supreme Council duly met in London on the 30th April, declared the proposals put forward up to date by the German Government to be inacceptable, discussed the question of delivering another ultimatum, and agreed that the occupation of the Ruhr should be the principal sanction in the event of resistance

[1] The official text of the notification of the 28th, which differed slightly from that of the announcement of the 27th, was as follows:

The Reparation Commission, in pursuance of the stipulations of Article 233 of the Treaty of Versailles, decides unanimously to fix at 132 milliard gold marks the amount of the damages for which Reparation is due by Germany in terms of Article 232, 2nd paragraph, and of Annex I of Part VIII of the said Treaty.

In fixing this amount, the Reparation Commission has effected the necessary deductions from the amount of the damages in order to make allowance for the restitutions effected or to be effected in execution of Article 238, and in consequence no credit will be allowed to Germany in respect of such restitutions.

The Commission does not include in the above amount either the sum in respect of the further obligations incumbent on Germany, in virtue of the third paragraph of Article 232, to make reimbursement of all sums which Belgium has borrowed from Allied and Associated Governments up to November 11, 1918, together with interest at the rate of 5 per cent. on such sums, or any sum which may be claimed or received by Poland as an integral part of the former Russian Empire, as stipulated by the provisions of Article 116 of the Treaty of Versailles.

[2] See I (ii) above.

on Germany's part. On the 2nd May,[1] they agreed that military preparations for the occupation of the Ruhr should be put in hand immediately, but that an interval should be allowed during which the Reparation Commission should be invited to transmit to Germany, for her acceptance, a schedule prescribing the time and manner for securing and discharging her entire obligations under the award which had been announced by the Reparation Commission on the 27th April. On the same date, M. Briand decreed the mobilization of Class 19 of the French Army. On the 3rd May, the Reparation Commission formally notified Germany of default under Article 235 of the Versailles Treaty;[2] but by this time the Allied Governments were practically assuming the functions of the Commission, for, by the 4th May, when the Reparation Commission arrived in London from Paris on an urgent summons, the Allied Governments appear already to have agreed in detail, not only upon the military and naval sanctions which they might eventually apply,[3] but upon the process by which, in the first instance, Germany was to be ordered to pay the total which had been assessed upon her on the 27th April, 1921, by the Reparation Commission. In fact, the 'Schedule of Payments prescribing the time and manner for securing and discharging the entire obligation of Germany for Reparation under Articles 231, 232, and 233 of the Treaty of Versailles',[4] which was forwarded to Berlin from Paris on the 5th May, 1921, under a covering letter from the Reparation Commission, seems to have been as much the work of the Supreme Council as were the Protocol modifying the Versailles Treaty, Part VIII, Annex II, in regard to guarantees[5] and the ultimatum to the German Government,[6] with which the London Conference concluded its labours on the same date.[7]

[1] See the official *communiqué* of the 3rd May (*L'Europe Nouvelle*, 14th May, 1921).

[2] See p. 134 and pp. 139–40 above.

[3] A function which was theirs, under the Treaty, if and when a German default had been declared by the Reparation Commission.

[4] Text in Reparation Commission, *Official Documents relative to the amount of Payments to be effected by Germany under Reparation Account*, vol. i (1st May, 1921–1st July, 1922).

[5] Text in *L'Europe Nouvelle*, 14th May, 1921.

[6] Text in *loc. cit.*

[7] It would be a natural supposition that the Schedule which the Supreme Council thus imposed on the Reparation Commission had been adopted by the Allied Governments themselves on the advice of their respective delegates on the Commission; or, in other words, that the delegates, acting as such, endorsed the views which they had already expressed as 'financial experts' and advisers to the Governments. If that was actually the case, the usurpa-

The Schedule of Payments—which was 'without prejudice to the duty of Germany to make restitution under Article 238 or to other obligations under the Treaty'—provided for the payment of the 132 milliard marks (gold) assessed on the 27th April less (*a*) the amount already paid on account of Reparation, (*b*) sums which might from time to time be credited to Germany in respect of state properties in ceded territory, &c., and (*c*) any sums received from other enemy or ex-enemy Powers in respect of which the Commission might decide that credit should be given to Germany, plus the amount of the Belgian debt to the Allies, the amounts of these deductions and addition to be determined later by the Commission (Art. 1). In substitution for bonds already delivered or deliverable under § 12 (*c*) of Annex 2 of Part VIII of the Versailles Treaty, Germany was to deliver three series of bonds, entitled Series A, Series B, Series C, with interest at 5 per cent. and a sinking fund of 1 per cent.—Series A for twelve milliard marks (gold) (£600,000,000), to be delivered on the 1st July, 1921; Series B for thirty-eight milliard marks (gold) (£1,900,000,000), to be delivered on the 1st November; and Series C for eighty-two milliard marks (gold) (approximately £4,000,000,000), to be delivered on the 1st November, but not to be issued by the Reparation Commission until it was satisfied that funds were available for interest and sinking fund (Art. 2).

Germany was to pay each year a fixed annuity and a variable annuity. The fixed annuity was to be two milliard marks (gold) (£100,000,000), payable quarterly on the 15th January, 15th April, 15th July, and 15th October; but instead of the first two quarterly payments Germany was to pay within twenty-five days the sum

tion of the Reparation Commission's functions by the Supreme Council at this stage was more apparent than real—though, just for this reason, the transaction would then demonstrate that in practice the Reparation Commission was not the independent judicial authority which it was supposed to be in theory. Such speculations, however, are directly contradicted by a positive statement from no less a person than M. Louis Dubois, who was President of the Reparation Commission at the date in question. In a letter to the editor of the Paris *Matin*, dated the 18th September, 1924, and published in that journal on the 20th, M. Dubois declared that 'Messrs. Briand, Lloyd George and Co.' elaborated a Schedule of Payments in London 'at the instigation of the British Government', 'without the members of the Reparation Commission being consulted or even informed'. He added that, upon the arrival of the Commission in London on the 4th May, 1921, Mr. Lloyd George desired that they should transmit this Schedule to the German Government forthwith, but that he (M. Dubois) rejected this proposal as 'absolutely contrary to the Treaty' and only consented to accept Mr. Lloyd George's draft 'à titre purement documentaire'. (The text of this letter is printed in the Appendix to the present volume.)

of one milliard marks (gold) (£50,000,000) in gold, foreign currencies, or foreign bills at three months. The variable annuity was to be the equivalent of 26 per cent. on the value of German exports, to be paid quarterly, starting on the 15th November, 1921 (Arts. 3–5).

As security Germany was to assign (*a*) customs duties; (*b*) an export levy of 25 per cent.; (*c*) the proceeds of such other taxation or funds as might be accepted by a special Sub-Commission of the Reparation Commission, to be called the Committee of Guarantees, which was set up to supervise the service of these bonds generally (Arts. 6–7). Provision was also made (Art. 8) for the supply (and valuation) of German materials and labour for the direct restoration of the devastated areas. Germany was required to facilitate the operation of the British Reparation (Recovery) Act of 1921 (and any similar legislation which might be enacted by any other Allied Powers) by reimbursing to the German exporters the duty paid, under the Act, to the British Customs[1] (Art. 9). Payment for all values received under Article 9 was to be made within one month to the Reparation Commission by the receiving Power (Art. 10). Certain elements of the variable annuity were to be applied to the payment of simple interest on the balance of un-issued bonds (Art. 11).

When the terms of this Schedule are compared with those of the preceding assessment of Germany's total liability, it will be seen that they implicitly interpreted the Reparation Chapter of the Versailles Treaty on a point of fundamental importance. The original intention of the Treaty appears to have been that the Reparation Commission should establish the sum which Germany had to pay *as a present value bearing interest*; and, although this view had been contested, it seems on the whole to have been accepted by the Reparation Commission itself in the earliest phase of the Reparation Problem. The Schedule of Payments settled this important and difficult question in accordance with common sense, if not with legal accuracy, by giving a present value to no more than fifty milliard marks (gold) of the total assessment (that is, to the combined amount of the 'A' and 'B' bonds), while the

[1] See pp. 17 and 131 above. The rate of levy was reduced from 50 per cent. to 26 per cent. on the 13th May, 1921, and remained at the latter percentage until the 22nd February, 1924. Several other Powers (e.g. France and Belgium) passed similar legislation but did not put it into force for the time being. (France put it into force on the 1st October, 1924, by a decree of the 18th September, 1924.) Jugoslavia put into force legislation to the same effect for a certain period.

remaining eighty-two milliards (represented by the 'C' bonds) were postponed to an indefinite future.[1]

The Protocol signed on the 5th May by the Governments of the Principal Allied Powers and Belgium, in virtue of the Versailles Treaty, Part VIII, Annex II, § 22, was intended to adjust the provisions of the Treaty in detail to those of the Schedule of Payments. In the ultimatum addressed to Germany on the same date, the Allied Governments accused the German Government of failure to fulfil its obligations under the Versailles Treaty, not only in respect of Reparation under Article 235 but in other respects which have been mentioned in a previous section,[2] and announced their decision (*a*) to initiate on that same day the preparatory measures for an occupation of the Ruhr; (*b*) to invite the Reparation Commission to communicate to Germany a Schedule of Payments;[3] and (*c*) to require the German Government to undertake categorically, within six days of the receipt of the ultimatum, to make the payments and furnish the guarantees demanded by the Reparation Commission without reserve, as well as to fulfil certain conditions concerning disarmament and the trial of 'War Criminals'. In case the German Government failed to comply with the terms of the ultimatum, the Allies would 'proceed on the 12th May to the occupation of the valley of the Ruhr and take all other [necessary] military and naval measures', and 'this occupation would continue until Germany had executed the conditions enumerated in § (*c*)'.

On the eve of the dispatch of this ultimatum the German Government had resigned and an acute internal crisis had arisen in Germany, as was to be expected in the circumstances. Herr Wirth, however, succeeded in forming a ministry in time to accept the terms of the ultimatum, with the authority of the *Reichstag*, in a note dated the 11th May, one day before the period of the ultimatum expired. Thus the occupation of the Ruhr was averted for twenty months, during which the Reparation Problem passed through its second phase.

[1] This question of present value was one of the pits into which public opinion and even the acute mind of M. Poincaré were liable to fall. The fabulous sums which were waved in the face of the public in the early spring of 1921 would appear to have been reached by the simple process of adding together the series of proposed annuities extending over a long period of years as if they were all of the same present value—a method of calculation which would give the extraordinary result that a debt represented by a perpetual annuity, such as the British 'Consols' or the French *Rentes*, would have the value of infinity!

[2] See I (ii) above.

[3] This was done on the same date. See above, p. 145.

3 Second Phase: from the Acceptance of the Allies' Ultimatum of the 5th May, 1921, by the German Government on the 11th May, 1921, to the beginning of the Franco-Belgian Occupation of the Ruhr Basin on the 11th January, 1923.

After the acceptance by Germany of the ultimatum from the Allied Governments, the Reparation Commission proceeded, on the 27th May, 1921, to set up the Committee of Guarantees [1] provided for in Articles 6 and 7 of the Schedule of Payments and in the corresponding amendments to Annex II of the Reparation Chapter of the Versailles Treaty which had been embodied in the Inter-Allied Protocol of the same date (5th May, 1921). Under the new § 12 (*a*) of Annex II, the Committee was to supervise the application of the revenues to be assigned as security by Germany to the Schedule of Payments,[2] while, in the Schedule of Payments itself (Art. 7), the Reparation Commission further charged the Committee with the task of supervising the execution of Articles 241 and 248 and § 12 (*b*) of Annex II to the Reparation Chapter of the Versailles Treaty. By Article 241 Germany had undertaken to give effect to the Reparation provisions of the Treaty by any necessary legislation; by Article 248 the cost of Reparation and other Treaty costs were to be a first charge upon the assets and revenues of the *Reich* and its constituent states; and in Annex II, § 12 (*b*) the Reparation Commission was required to examine periodically the German taxation system with a view to maintaining priority for the Treaty charges over the service of internal loans and to satisfy itself that the burden of taxation was at least as heavy in Germany as in any of the countries represented on the Reparation Commission. It will thus be seen that the Committee of Guarantees was intended to exercise a much closer supervision over the internal affairs of Germany than had yet been attempted by the Reparation Commission.

The Committee of Guarantees, as organized on the 27th May, 1921, was composed of the assistant delegates on the Reparation Commission of Great Britain, France, Italy, and Belgium, together with an unofficial American observer, and its seat was fixed pro-

[1] For the work of the Committee of Guarantees down to the close of 1922 see Reparation Commission, *Report*, 1920–2, Ch. X.

[2] See summary of the Schedule of Payments, p. 146 above.

visionally in Paris ; but it began work in June by paying a visit to Berlin, as a result of which it addressed five notes to the German Government on the 28th June.[1] In the first note it declined the German Government's proposal to assign certain specified revenues in substitution for the customs receipts and for the 25 per cent. levy on exports, while warning the German Government that for the financial year 1922–3 [2] it would be necessary to place a proportion of these specified revenues at the Committee's disposal in addition to the other two. In the second note the Committee announced that it was beyond its powers to substitute another index than that of exports for the determination of the variable annuity under the Schedule of Payments, and referred certain questions regarding the interpretation of the term ' exports ' to the Reparation Commission, who eventually decided, on the 23rd August, 1921,[3] against the German contention on these points. In the third note the Committee authorized the German Government to substitute provisionally for a direct levy on exports an equivalent payment in foreign currencies. In the fourth note the Committee provisionally left Germany a free hand to modify her customs system without previous notification.[4] In the fifth note the Committee announced the establishment of a permanent delegation in Berlin, with a staff of travelling inspectors, in order to verify the returns of the assigned revenues. The German Government was informed that

> officials of the Committee of Guarantees will have the right to require from the German officials all information that may be necessary, to require that all books, registers, and documents of the administration be produced, and that all administrative premises may be open to them, and to be given all facilities with a view to acquiring a complete knowledge of all the parts of the Service which it is their duty to supervise.

It was added in the next sentence that ' they will not be authorized at any time either to give orders or to supersede the German officials '. Nevertheless, this represented a greater measure of control than had been imposed upon Germany during the first phase of the Reparation Problem, and that was the penalty which

[1] Texts in Reparation Commission, *Official Documents*, vol. i.
[2] By Article 4 of the Schedule of Payments, the variable annuity was not to begin before the 15th November, 1921, so that for the financial year 1921–2 it represented a comparatively light charge.
[3] Reparation Commission, *op. cit.*, p. 16.
[4] Which Germany was obliged to give by the Schedule of Payments, Article 7, § 8.

Germany paid for her failure to fulfil her obligations under the Versailles Treaty, Article 235.

Meanwhile Germany set herself to fulfil Article 5 of the Schedule of Payments (under which she was to pay one milliard marks (gold), in gold or in approved foreign currencies or in approved foreign bills, or in three months treasury bills endorsed by approved German banks, within twenty-five days of notification) with such effect that, by the end of August, 1921, the last of the treasury bills had been redeemed in approved foreign currencies and the balance owing had been shipped in gold from Germany to New York.[1] On the 6th September, the Reparation Commission were able formally to declare that 'subject to the final adjustment of the accounts, the payment due under Article 5 of the Schedule of Payments had been effected',[2] while the Allied Governments had already attempted—and failed—during the Paris Conference of the 8th–13th August [3] to agree upon the distribution of this 'first (and last) milliard' to be received under the Schedule of Payments of the 5th May, 1921.

The question as to which Powers were entitled to receive part or all of this payment created great difficulties. Under the Schedule of Payments this money was destined to provide funds for interest and sinking fund on the bonds to be issued on account of Germany's Reparation liability. The Schedule of Payments took no account of the charge prior to Reparation which had not been satisfied, namely, Great Britain's unsatisfied claim for cost of occupation up to the 30th April, 1921, nor of Belgium's right to Reparation priority.[4] Although Germany had approximately covered the cost of all the Armies of Occupation up to this date by means of various cessions of property and deliveries in kind, the provision in the Spa Protocol that the various Powers should provisionally retain amounts received in excess of their claim over cost of occupation involved the result that Great Britain had received less than her claim and France and Belgium more than theirs.[5] The Versailles Treaty (Art. 251) had laid down that cost of occupation ranked prior to

[1] 770,000,000 marks (gold) were actually paid in approved foreign currencies and the remaining 230,000,000 in gold.

[2] Reparation Commission *communiqué* of the 6th September, 1921.

[3] See I (ii) above.

[4] However, the Reparation Commission had agreed on the 2nd August that Great Britain should receive some 124,000,000 marks (gold), which the Commission had in hand on the 1st May, 1921, as payment towards the costs in arrears of her Army of Occupation.

[5] On the assumption that the value of the Saar Mines was debited to France against her costs of occupation up to the 1st May, 1921.

Reparation, and the Spa Agreement provided that, in order to give effect to this priority, the cost of occupation should be a first charge (after repayment of the advances made for the provision of food, &c., for miners under the Spa Coal Protocol) on all deliveries made or transfers of property effected by Germany. In accordance with this principle Great Britain possessed the first claim on the first milliard marks (gold) (£50,000,000) up to the amount of her unsatisfied cost of occupation, which was then estimated at not less than £22,500,000 (gold) as a minimum figure. The next claim was that of Belgium in respect of her Reparation priority of two milliard marks (gold) (£100,000,000), of which about one and three-quarter milliards then remained unsatisfied. The Belgian Government strongly expressed the view that it was ridiculous that this very large sum of money should remain idle while the question of its allocation was debated, and in July the Belgian Minister of Finance arranged with the British Chancellor of the Exchequer that, out of this sum of one milliard marks (gold), the first half milliard should be divided equally between Great Britain and Belgium, and that out of the balance Great Britain's claim for cost of occupation should be satisfied first, and the surplus retained by Belgium for her priority. On the 31st July the Reparation Commission decided that the sums received under the Schedule of Payments up to that date should be allocated provisionally to Belgium, ' that was to say, that Belgium undertook to hand over any sums which might be in excess of its final allocation to any Power entitled thereto either on account of cost of occupation before the 1st May, 1921, or on any other account '. Under these arrangements no part of the first milliard would have been received by France. The French Government, however, put forward the proposal that, in spite of the Spa Agreement, the value of the Saar Mines, estimated at four hundred million marks (gold), should not be debited to France on account of the cost of occupation. They pointed out that, when the Reparation Commission had declared Germany in default for failing to pay the sum of one milliard marks (gold) before the 1st May, 1921, the Commission had refused to include the Saar Mines and other non-liquid assets in the payments to be credited to Germany, on the ground that such non-liquid assets could not be used for the purpose for which the payment of this one milliard marks (gold) was intended, including the payment of the cost of occupation. The British and Belgian Governments felt unable to agree to the French proposal, and, in a financial agreement signed

in Paris on the 13th August, 1921, it was laid down that the Saar Mines should be debited to France under Article 235, and that the first milliard marks (gold) should be divided between Great Britain and Belgium as already contemplated by the British and Belgian Governments. At the last moment, M. Doumer, the French Minister of Finance, stated that he could only sign the agreement under reserve and subject to the approval of his Government. The French Government refused to ratify the agreement on the 2nd September, and the position therefore was that, the money having been allocated provisionally to Belgium, Belgium had paid over to Great Britain £25,000,000 gold [1] pending a final settlement of the matter between the Allies.[2]

The reason for the French Government's refusal to ratify the Inter-Allied Agreement of the 13th August, 1921, appears to have been that French public opinion would not reconcile itself to an arrangement under which no portion of the first milliard marks (gold) received from Germany under the Schedule of Payments of the 5th May, 1921, would go to meet the French Reparation bill. It was not generally realized in France that, under Article 5 of the Inter-Allied Agreement signed at Spa on the 16th July, 1920, which remained in force unless or until it was superseded by a fresh agreement, such as that signed at Paris on the 13th August, 1921, France was not only not entitled to any share of the milliard which was to be received from Germany by the end of the month, but was actually obliged to reimburse to the Reparation Commission any

[1] The actual out-of-pocket expenses of the British Government for costs of occupation had been about £29,500,000 (sterling) up to date, and the Allied Governments had not yet agreed upon any method of reducing the costs, in spite of several efforts. As early as the 16th June, 1919, they had declared their intention of reducing the annual cost to a total of 240,000,000 marks (gold) (£12,000,000) as soon as the disarmament of Germany had been carried out to their satisfaction. In the Spa Agreement (Article 13) the question had been reserved. A special commission to consider the subject had been appointed by the Supreme Council in February, 1921, and some account of their deliberations was embodied in the Brussels Experts' second report of the 20th February, 1921 (see above, p. 128), but no agreement was reached on this occasion. In August, 1921, the Supreme Council appointed a fresh commission, which again failed to make practical recommendations, owing to the unwillingness of Marshal Foch to agree to any reduction in the number of the troops employed. The discussions dragged on until the London Conference of the 18th–22nd December, 1921, between MM. Lloyd George and Briand.

[2] It must be added that the equivalent of about £5,000,000 gold was paid by Germany in French francs and lire, and that these sums were treated exceptionally and were not handed over to Belgium, but were provisionally kept on deposit in Paris and Rome, their gold value on the date of receipt being guaranteed by the French and Italian Governments.

excess receipts in kind over her costs of occupation. Still less was it realized that the unratified agreement of the 13th August, 1921, was designed to relieve France of part of these liabilities. Under this agreement, while the value of the Saar Mines was still to be debited to France on account of her costs of occupation, the general principle was laid down that no refund was to be made for excess deliveries in kind except in so far as the balance of the Belgian priority of two milliard marks (gold) could not be met in cash.[1] Moreover, a subsidiary agreement drafted in August, 1921, would likewise have benefited France as well as Great Britain (at Germany's expense) by providing that discrepancies in the valuation of deliveries in kind, between the inter-Allied account on the one side and the account between the Reparation Commission and Germany on the other, should be adjusted by the cancellation of the shadowy series 'C' bonds (and not of 'A' or 'B' bonds) to the amount of any credits allowed to Germany by the Reparation Commission in excess of the credits allowed on the same deliveries for the purpose of inter-Allied accounting.[2]

Meanwhile, on the 27th August, 1921, the French Government had negotiated a provisional agreement with Germany regarding deliveries in kind, which was finally embodied in an instrument signed at Wiesbaden, on the 6th October, by M. Loucheur and Herr Rathenau.[3] This agreement possessed two distinct features. In the

[1] Under other clauses of the agreement of the 13th August, 1921, Belgium was to receive part of her priority out of the first milliard marks (gold) (£50,000,000) paid by Germany in August, 1921, and the remainder in four quarterly instalments beginning on the 1st August, 1921, the Reparation Commission having for this purpose only the right to call for payment in cash in respect of deliveries in kind in so far as was necessary (after paying over to Belgium cash received by the Reparation Commission from Germany or otherwise) to make up the total payable to Belgium. The repayment of the Allied Governments' war loans to Belgium, which, under the Spa Agreement (Art. 11), was to rank immediately after the Belgian Reparation priority and was to be distributed over the sums paid each year by Germany up to 1926, was spread over a longer period by being charged upon bonds of each of the three series issued under the Schedule of Payments.

[2] The most important discrepant valuations were those of (i) the German shipping assigned as a delivery in kind to Great Britain and (ii) the German coal delivered to France. (The French and German Governments came to an agreement on the 7th October, 1921, that *all* Reparation deliveries of coal up to the 31st August, 1921, should be treated as land-borne and not as sea-borne, which involved, under the terms of the Versailles Treaty, that France would be debited with a considerably lower price.)

[3] Text in British White Paper, *Papers relating to the agreement between the French and German Governments concerning the application of Part VIII of the Treaty of Versailles regarding deliveries in kind* (*Cmd.* 1547 of 1921); and in Reparation Commission, *Agreements concerning deliveries in kind to be made by Germany under the heading of Reparation.*

first place it arranged for the direct reconstruction of the French devastated areas through deliveries of German plant and materials, by means of private contracts between the French 'sinistrés'[1] on the one hand and a specially constituted German company on the other —the German company to be reimbursed by the German Government for its deliveries and the value eventually to be debited to France on account of her share of Reparation.[2] So far the agreement (which provisionally superseded Annex II, § 19, and Annex IV of Part VIII of the Versailles Treaty as far as France was concerned) coincided with the schemes put forward by Germany in the Spa proposals of the 11th July, 1920, and again in the memorandum submitted to the United States Government on the 24th April, 1921;[3] and, from the diplomatic point of view, it was clearly a judicious move on Germany's part to make early and practical arrangements for repairing those particular war-damages which concerned the most implacable of her late opponents and which were also most to Germany's discredit in the eyes of the world. It was likewise a step in advance that any arrangement in regard to Reparation should be made freely and on more or less equal terms between Germany and France.[4] The second feature of the agreement, however, promised both to add to the financial burdens imposed upon Germany by the Schedule of Payments of the 5th May, 1921, and at the same time to give France, indirectly, that priority in the receipt of Reparation payments for which she had never secured the consent of her Allies, by deferring the date at which the value of a proportion of the deliveries under the new agreement was to be debited to France and credited to Germany in the Reparation account. Immediate credit was in no case to be given to Germany in any one year for the value of deliveries in kind under the new agreement and under the unabrogated Annexes III, IV, and VI of Chapter VIII of the Versailles Treaty, taken together, to an amount exceeding

[1] Victims of devastation.

[2] By Article 2 of the model contract annexed to the Agreement, the valuation was to be made by a commission of three, consisting of one Frenchman, one German, and one person selected by common agreement or, failing that, by the President of the Swiss Republic (whereas, under the Versailles Treaty, deliveries in kind were to be valued solely by the Reparation Commission).

[3] See pp. 124 and 132 above.

[4] e. g. Germany as well as France reserved the right to denounce the agreement under certain conditions (Art. 4), and Germany stipulated (Art. 7) that if § 18 of Annex II of the Reparation Chapter of the Versailles Treaty were ever put into operation on account of some German default in other respects, she should not be deprived of credits arising, or be subjected to the confiscation of goods delivered, under the Wiesbaden Agreement.

one milliard marks (gold), or again for more than 45 per cent. of the value of deliveries under the new agreement if that amount were less than one milliard, or for more than 35 per cent. of it if it exceeded that figure. That is, 55 per cent. (or, if the agreement operated successfully, 65 per cent.) of the value of the Wiesbaden deliveries, as a minimum, would be carried to a deferred account, and no part of the account so deferred was to be credited to Germany and debited to France before the 1st May, 1926. Thereafter the account was to be liquidated, at interest, in equal instalments over ten years; but France was in no year to be debited with a total on account of deliveries in kind which would exceed her share (52 per cent. under the Spa Agreement) of the total Reparation payments made by Germany in that year, and conversely Germany was never to be credited in any one year with a total value of deliveries in kind to France in excess of one milliard marks (gold), so that the deferment of account might be carried forward indefinitely. If Germany succeeded in fulfilling the Wiesbaden Agreement as well as the Schedule of Payments, she would thus voluntarily be assuming additional, and perhaps heavy additional, burdens for an uncertain number of years to come, although she had protested already that the Schedule of Payments alone was beyond her capacity; while, if Germany found herself in difficulties over the payment of future instalments under the Schedule,

> the effect of the agreement would be, not that, thanks to a special voluntary effort on the part of Germany, France would have secured, without prejudice to her Allies, a part of her share of Reparation earlier than would otherwise have been possible, but merely that an alteration in favour of France and to the detriment of the other Allies would have been brought about in the distribution as between the Allies of the available Reparation receipts over a very considerable period. The other Allies would, in substance, be advancing to France on a 5 per cent. basis their shares of that part of the annual Reparation payments of Germany with which France was not currently charged, on the security—not of the French Government—but of the French share of whatever might be the current receipts in respect of German Reparation in the somewhat remote future.[1]

The principal safeguard against a prejudicial operation of the Wiesbaden Agreement, for both Germany and the Allies of France,

[1] Quoted from the report presented to the British Government on the 26th October, 1921, by Sir John Bradbury, the British delegate on the Reparation Commission (text in *Cmd.* 1547 of 1921). The Allies of France also stood to lose by the proposal (Wiesbaden Agreement, Art. 2) that the levies of 26 per cent. and 25 per cent. prescribed respectively in Articles 4 and 7 of the Schedule of Payments should only be made on that portion of the deliveries in kind to France which were actually credited to Germany in any given year.

was that the amount of the deliveries under it was limited by the provision that they were to be ' applied only to the reconstruction of the devastated regions ' (Art. 6). At the same time, the rights and interests of the Allies of France were so evidently involved that the submission of the Wiesbaden Agreement to the Reparation Commission and to the Committee of Guarantees was contemplated in the text of that instrument (Arts. 2 and 3). In a decision of the 20th October, 1921,[1] the Reparation Commission approved the general principle of hastening the restoration of the devastated areas in France by direct deliveries, but pronounced the opinion that the agreement involved departures from certain specified provisions of the Versailles Treaty, and recommended in conclusion that ' reasonable facilities ' for deferment of account should be accorded to France, ' subject to any safeguards which the Allied Governments may regard as necessary to protect their respective interests '.

In a not unsympathetic report, dated the 26th October, 1921, accompanied by an explanatory memorandum,[2] Sir John Bradbury, the British delegate on the Reparation Commission, suggested certain stipulations, limiting the operation of the Wiesbaden Agreement, which were supported by the representatives of Italy and Belgium. In this report Sir John Bradbury alluded to ' the heavy depreciation in the exchange value of the [paper] mark ', which had followed the payment in August of the first milliard marks (gold) under the Schedule of Payments, in support of his forebodings. In view of this the British Government asked the French Government to make proposals for removing the objections to the Wiesbaden Agreement which were set forth by Sir John Bradbury and which have been quoted already, but the French Government took no action in the matter. In November, 1921, however, a further fall in the mark occurred which was catastrophic by all previous standards,[3] and a default by Germany on the

[1] *Communiqué* of the 20th October, 1921 (text in *Cmd.* 1547 of 1921).

[2] Texts in *Cmd.* 1547.

[3] The following table is taken from the Reparation Supplement to the London *Economist* of the 31st May, 1924 :

German Exchange on London

(Average of Weekly Rates. Marks to the £)

January,	1921	224	July,	1921	279
February	,,	236	August	,,	305
March	,,	243	September	,,	399
April	,,	250	October	,,	577
May	,,	246	November	,,	1,020
June	,,	257	December	,,	799

For the accumulation of causes for the fall of the mark at this stage see J. M. Keynes, *op. cit.*, Excursus IV.

outstanding instalments for the financial year 1921–2 became an imminent possibility. The fall in September and October had led the Committee of Guarantees to pay a second visit to Berlin between the 23rd September and the 14th October. The fall in November was one of the reasons for the meeting between MM. Lloyd George and Briand in London on the 18th–22nd December.[1]

The Committee of Guarantees [2] found that a net deficit of ninety-six milliard marks (paper) was to be expected on the combined German Budget for 1921–2 and a deficit of ninety milliards on the Treaty Obligations Budget for 1922–3. They concluded that ' the first object to be attained was the stabilization of the mark and the cessation of recourse to the discounting of treasury bills to cover the Budget deficit ', and they granted the German Government certain provisional alleviations in regard to the variable annuity under the Schedule of Payments, but they did not officially despair of the payment of the impending instalments, though they considered it their duty to call the immediate attention of the Reparation Commission to the situation. The Reparation Commission took this report sufficiently seriously to visit Berlin themselves on the 8th November, and on the 2nd December they addressed a letter [3] to the German Government in which they urged the latter ' to make every possible effort to obtain the necessary amount of foreign exchange [for meeting the impending instalments] either from its own nationals, who notoriously had such foreign exchange at their disposal, or from foreign lenders ', and went on to express their opinion that ' the difficulties encountered by the German Government, which were closely connected with the recent serious fall in the mark exchange, were of a financial rather than an economic character '. On the 14th December the German Government officially informed the Reparation Commission [4] that it would be

[1] See I (ii) above.

[2] See Reparation Commission, *Report*, 1920–2, Ch. X, and the text of the Committee of Guarantees' Report of the 29th October, 1921, in Reparation Commission, *Official Documents*, vol. i.

[3] Text in Reparation Commission, *op. cit.*

[4] Text of letter in *op. cit.* For a return of German payments under all heads (cash, kind, and state property) from the 11th November, 1918, to the 31st December, 1921, see Reparation Commission *communiqué*, No. 114. The grand total at the latter date was 6,487,856,000 marks (gold).

N.B.—This figure is less by approximately a milliard than that previously given by the Reparation Commission for aggregate payments up to the 1st May, 1921 (that is, eight months earlier), but the discrepancy is only apparent, since the items included in the two totals are not identical. Payments by Germany for food supplies and raw materials, and direct payments (in paper marks, goods, and services), for the cost of the Armies of Occupa-

unable to pay more than 150 to 200 million marks (gold) towards the two instalments respectively due on the 15th January and the 15th February, 1922, and this led the Allied Governments to make a fresh experiment in direct action.

After an informal discussion of the situation between the British Chancellor of the Exchequer and Dr. Rathenau, the British Government had already formed the opinion that it would be desirable to grant Germany a moratorium, and it had approached the Italian and the Belgian Governments in this sense. The Italian Government had been found to be in sympathy with the suggestion, but the Belgian Government, to whom over one milliard marks (gold) were still due in respect of the Belgian Reparation priority, had displayed a not unnatural antipathy towards the British view. The German Government's announcement of the 14th December was followed by a meeting between representatives of the British Government and MM. Briand and Loucheur in London on the 18th–22nd December, 1921, and at this Conference [1] an Anglo-French Reparation project was drawn up to serve as a basis for proposals to the Allies as a whole at the forthcoming Conference at Cannes.

The main principle underlying this project [2] had already made its appearance in the arrangement imposed upon Germany during the preceding May. On that occasion Germany, in return for a tacit moratorium upon her obligations under Article 235 of the Versailles Treaty, had been subjected to a measure of control over her internal finances, introduced by the establishment of the Committee of Guarantees. Under the December scheme, Germany was to be granted a partial moratorium upon the May Schedule of Payments, but only at the price of certain fresh conditions. Within fifteen days Germany was to levy her customs duties effectively on a gold basis ; raise the internal price of coal,[3] and the tariffs of the

tion and the various Inter-Allied Commissions on German territory are included in the earlier and excluded from the later figure, whereas the latter includes and the former excludes non-liquid deliveries (e. g. state property in ceded territories) and all payments and deliveries in kind between the 1st May and the 31st December, 1921.

[1] See I (ii) above.

[2] Text of the London suggestions of December, 1921, with the annexed conditions, in *L'Europe Nouvelle,* 4th February, 1922.

[3] The intention was that the internal price of German coal should be raised by the imposition of Government taxation, which would have the double effect of depriving German manufacturers of the opportunity of dumping (which they had acquired by obtaining their coal far below the world price) and at the same time of providing the German Government with funds for the payment of Reparation.

state railways, posts, telegraphs, and telephones by x per cent., and restrict the advances from the *Reichsbank* to the Government and the issue of uncovered bank-notes of all categories. Within six weeks the German Government was to submit to the Reparation Commission a scheme for making the *Reichsbank* autonomous under the control of a *Conseiller Technique*, to be approved by the Reparation Commission, who would be empowered to veto advances to the German Government; for covering the Budget deficit provisionally by an internal loan and for balancing it thereafter, especially by the suppression of subsidies; for putting an end to the export of capital; and for reforming the currency. The Reparation Commission were to pronounce upon this scheme within one month of its submission, and if the German Government failed either to present it, or to execute it as modified by the Reparation Commission, within the periods specified, the new moratorium was to lapse, the Schedule of Payments was to stand, and the Treaty sanctions for default were to be operative. Finally, the Committee of Guarantees was to sit permanently in Berlin, the Reparation Commission was to be empowered to appoint the *Conseiller Technique* for the *Reichsbank* on its own initiative in default of agreement with the *Reichsbank* authorities, and the Committee of Guarantees was to receive all facilities from the German Government for performing its functions under the new arrangement.

On these conditions (Franco-British suggestions, Art. 4) the German Government's payments in respect of the instalments due on the 15th January and the 15th February, 1922, were to be limited—not indeed to the 150 to 200 million marks (gold) which the German Government had offered on the 14th December, but to 500,000,000, payable in four equal instalments to be completed on the 15th April (Arts. 1 and 3). For this, the German Government was to draw, if necessary, upon the *Reichsbank's* gold reserve (Art. 2), but on the other hand the Allies were to renounce all further payments in cash for the calendar year 1922 (Art. 5). At the same time Germany's deliveries in kind for the same year were to be limited to 1,250,000,000 marks (gold) to France and 500,000,000 to the other Allies, incidentally to an elaborate bargain between the Allies among themselves (Arts. 6–12), under which Great Britain was to assent (Art. 6) to the Wiesbaden Agreement (subject to certain limitations on the lines previously suggested by Sir John Bradbury [1]) and (Art. 11) to the Franco-German agreement of the

[1] All other Powers with a claim to Reparation were likewise to be

7th October, 1921, regarding the price at which coal deliveries were to be accounted for[1] up to the 31st December, 1921, and was also to meet France in regard to the reduction of claims for costs of occupation to a uniform scale (Art. 10); while France on her side was to accept a new basis for pricing coal deliveries during 1922 (Art. 11), was to agree (Art. 12 *d*) to the value of the Saar Mines being debited to her, under the year 1922, as a delivery in kind, and was to assent substantially (Art. 12 *a*, *b*, and *c*) to the principle of distribution laid down in the agreement of the 13th August, 1921, not only for the milliard marks (gold) already received in cash by the end of August, 1921, but for the further half-milliard to be exacted by the 15th April, 1922. In order, however, to meet the difficulties of the French Government, the British Government expressed its readiness, subject to the concurrence of Belgium, to modify the agreement of the 13th August by distributing the total sum of one and a half milliards in question as follows:

(*a*) Half a milliard (£25,000,000) towards the British cost of occupation.

(*b*) A payment to France which would give her the same proportionate payment on account of the French Army of Occupation as the above payment would give to Great Britain on the assumption that the value of the Saar Mines was not reckoned towards payment of the French cost of occupation up to the 30th April, 1921.[2]

(*c*) The balance to be payable to Belgium in respect of her priority, subject to the deduction of the sum of approximately 175,000,000 lire deposited with the Bank of Italy.

The scheme also provided that each Power should retain for its own use during 1922 the value of deliveries in kind, but that such Reparation receipts during 1922, with interest at 5 per cent., should be taken into account as from the 1st January, 1923, in determining the proportions of Reparation receipts due to each Power after that date. The question of the costs of the Armies of Occupation was to be settled by reducing the total claim to the promised figure of 240,000,000 marks (gold) (£12,000,000) as from the 1st May, 1922,

empowered to make agreements with Germany on the lines of the Wiesbaden Agreement, subject to the approval of the Reparation Commission (Art. 6).

[1] See p. 154 n. above.

[2] M. Loucheur estimated the sum thus to be received by France at 340,000,000 marks (gold), and made a verbal reserve that the formula was only acceptable if it produced this result. It was later estimated that the formula would give France 180,000,000.

and by reducing the British cost per man per day at the same time to the French cost plus a special allowance of two gold marks. During 1922 the expenses of occupation were to be met out of deliveries in kind (including the proceeds of the Reparation Recovery Act and similar Acts), and not to be paid by Germany in cash as a separate payment. As regards the question of the price of Reparation coal, the fall of the mark had involved so great a reduction in the internal price of coal in Germany when expressed in gold marks that for a time France had received coal at the French frontier at the price of about 8*s.* 4*d.* a ton. In order to avoid this anomaly it was proposed that for the future the price of Reparation coal delivered to France should be fixed on the basis of the price of French or British coal in France, whichever were the lower. Subject to these modifications, the agreement of 13th August was to be ratified.

These Anglo-French suggestions of London were accepted by the five Powers represented at the Cannes Conference of the 6th–13th January, 1922, as a basis for dealing with the problem of Reparation.[1] The discussions opened somewhat inauspiciously, however, with a criticism of the London suggestions, not from a representative of one of the Governments which had taken no part in drafting them, but from M. Doumer, the French Minister of Finance, who thus took the lead in opposing proposals to which his colleagues, MM. Briand and Loucheur, had previously set their signatures and which had actually gone forth in the French Government's name. In these circumstances it was not surprising that the Belgian Government, with their acknowledged claim to priority, should join in the attack. They naturally tried to make the cash payment in 1922 as high as possible, and suggested a figure of 900,000,000 marks (gold). The explanation of this figure was as follows. Under the Schedule of Payments Germany was required to impose an export levy of 25 per cent. The German Government objected on administrative grounds that such a levy was impossible, and, just before the meeting of the Supreme Council at Cannes, the Reparation Commission had received an offer from the German Government to pay 31,000,000 marks (gold) every ten days (which was the estimated amount which the levy would produce) instead of imposing an actual levy. The Belgian Government accordingly

[1] Reparation was only one of the subjects on the agenda and the dramatic breakdown of the Cannes Conference was connected with other negotiations which have been described above. For the general history of the Cannes Conference see I (ii) above.

argued that, as the German Government had offered 31,000,000 (gold) every ten days, or 900,000,000 (gold) during the year, the Allies ought not to suggest a lower figure. After considerable discussion the Belgian Government agreed to a figure of 720,000,000 (gold), which represented the interest and sinking fund on bonds of Series 'A' under the Schedule of Payments. The maximum figure for deliveries in kind to France was reduced from 1,250,000,000 to 950,000,000 (gold), as M. Loucheur stated that he did not in fact expect to receive a larger amount than the latter figure. A difficulty arose from the fact that the Belgian Government at first refused to agree to the reversal of the provision in the agreement of the 13th August with regard to the Saar Mines, and were displeased that the British Government should have lent any support to such a suggestion. Fortunately at this point the Reparation Commission made a revised estimate of the amounts due to Great Britain and France in respect of the cost of the Armies of Occupation up to the 30th April, 1921. In accordance with the revised figures the amount due to Great Britain was about 640,000,000 (gold), and the amount due to France (if no debit were entered to her cost of occupation account for the Saar Mines) about 220,000,000 (gold). Accordingly it was proposed that Great Britain should give up, temporarily, about 140,000,000 (gold) of the sum which it was estimated that she would be entitled to receive under the Agreement of the 13th August, and the following scheme was provisionally agreed to :

The one milliard (gold) already paid by Germany and the further 720,000,000 (gold) to be paid in 1922 were to be treated together, on the lines of the London suggestions of December, 1921. Out of this total sum of 1,720,000,000 (gold)

(i) *Great Britain* was to receive 500,000,000 (gold) towards her cost of occupation, any amount by which this sum eventually proved to be less than the actual outstanding cost on the 1st May, 1921, being treated as a debt due to Great Britain, repayable out of the first cash receipts from Germany on account of Reparation after Belgian priority had been satisfied.

(ii) *France* was to receive 140,000,000 (gold) towards her cost of occupation. any amount by which this sum eventually proved to be less than the outstanding cost on the 1st May, 1921 (excluding the Saar Mines from the debit side of the account), being repayable after (*a*) Belgian priority, and (*b*) the debt to Great Britain under (i) above.

(iii) *Belgium* was to receive the balance of 1,080,000,000 (gold) towards her priority.

(iv) The value of the Saar Mines (estimated at 400,000,000 gold) was to be debited, to the extent of 300,000,000 (gold), to France in the same way as a delivery in kind made on the 1st January, 1922, while the balance (estimated at 100,000,000 gold)—if any—was to be paid in 'C' bonds.

(v) Belgium was not to call on any of the Powers which had received Reparation in kind in 1921, or might receive such Reparation in 1922, for any payment in respect thereof for the purpose of satisfying Belgian priority.[1]

As regards coal it was found that the proposals made in London were difficult to work from a technical point of view, and in the meantime the internal price of coal in Germany had nearly risen to the world price, and accordingly it was proposed to return to the terms of the agreement of the 13th August and to make it apply to the future as well as the past, i.e. to reckon all the Reparation coal delivered to France as land-borne and not as sea-borne. This arrangement was only binding for the purpose of inter-Allied accounting, and if the Reparation Commission decided to count any of the coal as sea-borne, the difference was to be adjusted by means of 'C' bonds.

The modifications of the London suggestions which the British delegation had been induced to accept as a result of these negotiations at Cannes were embodied in a draft dated the 10th January, 1922,[2] and further negotiations on the wording of this text would have followed if the work of the Conference had not been paralysed suddenly by the recall of M. Briand to Paris, which occurred on the 11th January.[3] Meanwhile both the Reparation Commission and a delegation representing the German Government had been summoned to Cannes in anticipation of a settlement, and now that the direct action of the Allied Governments had again ended in a breakdown, the initiative was restored to the Reparation Commission. The Reparation Commission had refused to consider the German

[1] For this purpose 'Reparation in Kind' was to include receipts under the Reparation Recovery Act.

[2] For the text of the draft see *L'Europe Nouvelle*, 21st January, 1922, where the passages still contested by the French delegation are printed in italics. The conditions to be required from Germany were reproduced practically as they stood from the London suggestions.

[3] The chief point left over by the British project was the distribution of the deliveries in kind to the value of 500,000,000 marks (gold) which were to be made to the Allies other than France.

request of the 14th December, 1921, until the German Government had supplied it with certain material information.[1] After some correspondence this information had been furnished on the 10th January, 1922, and on the 13th January the Reparation Commission found a momentary issue out of the *impasse* by granting a provisional postponement of the instalments due on the 15th January and the 15th February on condition that

(i) During the period of provisional postponement the German Government should pay, in approved foreign currencies, the amount of 31,000,000 gold marks every ten days, the first payment being upon the 18th January, 1922.

(ii) The German Government should, within a period of fifteen days, submit to the Commission a scheme of budget and currency reform, with appropriate guarantees, as well as a complete programme of cash payments and deliveries in kind for the year 1922.

(iii) The period of provisional postponement should end as soon as the Commission or the Allied Governments should have taken a decision with regard to the scheme and programme indicated in paragraph (ii).

The balance due under the Schedule of Payments was to become payable within fifteen days of a decision being taken by the Reparation Commission or by the Allied Governments.

The German Government duly submitted a programme[2] on the 28th January, in the form of a covering letter and four annexes. The proposals for financial reform followed closely those considered necessary by the Allies, and the German Government, while stating that from the purely 'economic' point of view the payments for 1922 suggested by the Supreme Council at Cannes was unduly high, expressed its appreciation of the fact that payments of this magnitude were necessary for 'political' reasons, and gave it to be understood that Germany was prepared to undertake to make these payments in 1922. The reply explained at great length the financial position of Germany. Briefly speaking, the position was that, if the new Taxation Laws were carried out, there would be a small surplus (equivalent to about £20,000,000 sterling) on the ordinary Budget, which would be used to pay Reparation, but that, for the rest, the Reparation payments would have to be met

[1] Texts of correspondence between the Reparation Commission and the German Government, and of the Reparation Commission's decision of the 13th January, 1922, in Reparation Commission, *Official Documents*, vol. i.

[2] Text in *op. cit.*

either out of loan or by further inflation of the currency.[1] The reply also contained a comparison between German, French, and British scales of taxation purporting to show that the German national was more heavily taxed under the proposed laws than the British or French national.[2] In the concluding paragraphs of the covering letter, the opinion was expressed that 'the settlement of the German contribution to Reparation during 1922 alone constituted only the first step towards the solution of the Reparation problem' and that, with the prospect of continuous payments in foreign currency, there would have to be recourse to a foreign loan, if ways and means of raising it could be found.

While this German programme was being examined by the Reparation Commission with a view to deciding what Germany should pay in 1922, the Finance Ministers of the Principal European Allied Powers and Belgium met in Paris to consider the various inter-Allied accounting questions which the abortive agreement of the 13th August, 1921, and the equally abortive draft at Cannes had failed to settle. In the covering note to an agreement, which was successfully reached on the 11th March,[3] the Finance Ministers recognized that 'the general question of Reparation' belonged 'exclusively to the province of the Reparation Commission', but pressed for 'concrete solutions', and added the suggestion that 'such solutions should aim at securing the payment of Reparation, both by restoring order to German finance under effective supervision and by enabling Germany to pay off part of the capital of her debt by the issue of foreign loans to be secured on the produce of her customs or such other of the resources of the German Empire as the Reparation Commission might judge suitable'. It was recorded that 'The Ministers further discussed the problems arising out of the war debts due by the European Allies to each other'. In the text of the agreement the cost of the Armies of Occupation from the 1st May, 1922, onwards was settled (Art. 1) on the lines of the Cannes draft of the 10th January. The annual total was to be limited to 220,000,000 marks (gold);[4] an additional

[1] There was also a deficit of about £9,000,000 sterling on the extraordinary Budget, to be met from loans.

[2] This result was obtained by taking the internal purchasing power of the paper mark as about four times greater than the external.

[3] Text in British White Paper, *Cmd.* 1616 of 1922.

[4] Exclusive of the free services, for accommodation, transport, and postal communication, which were to be rendered to the Armies of Occupation direct under Article 249 of the Versailles Treaty and Articles 8 and 12 of the arrangement of the 28th June, 1919 (the 'Rhineland Agreement'). The

allowance of two gold marks per man per day was assigned to the British contingent, and the remainder was to be divided between the Occupying Powers in proportion to the number of their effectives.[1] The Reparation Commission was to continue to recover and keep account of the costs of occupation (Art. 2). Out of the deliveries in kind during 1922, 65 per cent. was to go to France, 35 per cent. to other Powers, 24 per cent. of this latter amount to Great Britain, and 240,000,000 marks (gold)[2] out of the 35 per cent. to Italy. The re-export of deliveries in kind was to be prohibited (Art. 3). The Wiesbaden Agreement of the 6th October, 1921, between France and Germany was endorsed, with specific limitations upon the amount of the debits to be deferred and upon the period of deferment (Art. 4). The other Allied Governments were empowered to make similar agreements with Germany, so long as the values thus received by them did not exceed in the aggregate their 35 per cent. of German deliveries in kind for 1922 (Art. 5). Receipts in kind were to be retained by the receiving Power, without any equivalent payment in cash to the Reparation Commission, up to the 31st December, 1922, but were to be taken into account (together with interest at 5 per cent. as from the 1st January, 1923) in determining the receipts due to each Power in 1923 and thereafter (Art. 6). The Franco-German coal agreement of the 7th October, 1921, was endorsed, and Italy was empowered to negotiate a similar agreement with Germany (Art. 7). Out of the milliard marks (gold) paid by Germany at the end of August, 1921, 500,000,000 were to go towards British and 140,000,000 towards French costs of occupation up to the 1st May, 1921,[3] and the remainder[4] towards the Belgian Reparation priority (Art. 8). The value of the Saar Mines was to be debited to France on the basis proposed in the Cannes draft of the 10th January[5]—that is, it was to be treated, to the extent of 300,000,000 marks (gold), as a delivery in kind made on the 1st January, 1922 (Art. 9). The

allowance for the United States contingent, which was not included, would bring up the estimated total to the agreed figure of 240,000,000 marks (gold).

[1] Elaborate provision was made for variations in the relative strength of the several contingents and in the total cost, and for the recovery of additional payments 'in the event of special military measures of a precautionary or coercive nature being decided upon by the Allied Powers'—a formula intended by the British signatories to exclude isolated action.

[2] 'Made up of the amounts of which the other Allies cannot take advantage.'

[3] Provision was made for the subsequent payment of the balance.

[4] Except for a sum of 172,000,000 lire to be retained by Italy.

[5] See above, pp. 163–4.

repayment of the Allies' war-loans to Belgium was to be charged upon 'Schedule of Payments' bonds of all the three series ('A', 'B', and 'C') in accordance with the proportion of each series to the sum of the three series (Art. 10). Differences in the valuation of deliveries in kind, brought to account under Article 235 of the Versailles Treaty, between the accounting of the Reparation Commission and that of the Allies among themselves were to be adjusted in the distribution of 'C' bonds (Art. 12). The agreement was 'made subject to any rights of the United States' (Art. 13).

In the meantime the Reparation Commission and the German Government had arrived on the 27th February at a draft agreement [1] laying down procedure applicable [2] to any future arrangements between particular Allied Powers and Germany for effecting deliveries in kind by means of private contracts freely negotiated between nationals of Germany and nationals of the Power concerned.[3] The German national selling the goods was to be paid, on behalf of the Allied purchaser, by the German Government (Art. 10); the re-exportation by the recipient of goods delivered under this arrangement was to be prohibited (Art. 8); and a list of goods, the export of which from Germany was prohibited, was excepted from the arrangement (Art. 5 and Annex A); while, in the case of certain articles on another list, a percentage of the price was to be paid by the buyer to the seller in cash and recovered by the buyer from his own Government (Art. 7), to which the amounts paid by the German Government in order to reimburse the German seller would be credited (Art. 10). In this draft the deferment of credits was expressly ruled out (Art. 11) by the provision that the payments which were to be made by Germany in virtue of the present arrangement and after its expiration should be credited to the German Government by the Reparation Commission against Germany's obligations fixed for the corresponding financial year, the date of the credit being that at which the payment was made. In view of this draft a fresh Franco-German Agreement [4] was initialed on the 1st March, 1922, under which the procedure of the draft was adopted in respect of Articles 1–10, while that of the

[1] Text in Reparation Commission, *Agreements concerning Deliveries in Kind.*

[2] The procedure was not to be employed concurrently with another procedure, and any Allied Power adopting it was to be bound by all the clauses of the agreement between the Reparation Commission and Germany (Art. 2).

[3] In contrast to the Wiesbaden Agreement, the scope of this draft was not confined to deliveries for the reconstruction of devastated areas.

[4] Text in Reparation Commission, *op. cit.*

Wiesbaden Agreement was maintained in regard to the deferment of credits. On the 31st March the Reparation Commission approved the Wiesbaden Agreement within the limits set by the Inter-Allied Agreement of the 11th March and subject to the rights of the Powers not represented at the Paris Conference at which that agreement was negotiated, and on the same date they approved the Franco-German Agreement of the 15th March subject to any future amendments to their own draft agreement of the 27th February with Germany. A final text of the agreement between the Reparation Commission and the German Government (known as the Berlin or Bemelmans Agreement) was signed by their respective representatives [1] on the 2nd June, 1922, and approved by the Reparation Commission on the 16th, and on the 6th and 9th June a further agreement (known as the Ruppel-Gillet Agreement) [2] was signed by representatives of Germany and France respectively, confirming the agreement of the 15th March but substituting the document of the 2nd June for the document of the 27th February wherever the latter document was referred to in the March agreement. It was also laid down (Art. 2) that, as between Germany and France, the goods to be delivered under private contracts were not merely to be consumed solely in the territory of the receiving party but were to be employed solely in the reconstruction of devastated areas. This Franco-German Agreement was approved by the Reparation Commission on the 27th June, subject to certain conditions.

In the meantime the general problem of Reparation had been undergoing important developments. At the Cannes Conference, where so many issues had been left in suspense, the Allied Governments had at least succeeded in agreeing upon the maxima (720,000,000 marks (gold) in cash, 950,000,000 in kind to France, and 500,000,000 in kind to the other Allies, from all sources) which Germany should be required to pay during the calendar year 1922. Officially, however, the determination of these amounts devolved upon the Reparation Commission, and on the 13th January the Reparation Commission had imposed interim payments upon Germany pending the submission of a detailed programme by the German Government, on the basis of which the Reparation Commission, or alternatively the Allied Governments, were to decide whether they would grant Germany a partial moratorium for the entire year. These proceedings have been recorded already, as well as the Inter-

[1] M. Bemelmans and Herr Cuntze. [2] Text in *op. cit.*

Allied Agreement of the 11th March, 1922, which settled a number of points on which action by the Reparation Commission was not required. At that date, however, the Reparation Commission had not yet declared themselves on the question of a partial moratorium for the whole of the year 1922, although the German programme had been submitted by the required date of the 28th January and the decision to be taken on the basis of it was thus considerably overdue. It was at this point that the change of Government in France began to exercise a direct effect upon the Reparation Question, for on the 15th March there was communicated to the Reparation Commission a 'Memorandum by the French Delegation on Germany's Request for a Moratorium'[1] which bore the unmistakable imprint of M. Poincaré. The new French Prime Minister could not reverse the decision to grant a partial moratorium, or even the decision to revise the highest figures proposed at Cannes, upon which agreement had been reached between the Allied Governments before his own accession to office. He could, however, review and criticize Germany's conduct in the past, examine minutely the German Government's programme of the 28th January, interpret the Reparation Chapter of the Versailles Treaty, and insist that any concessions to Germany on the part of the Reparation Commission must be paid for by the largest possible increase of control over her finances; and all these operations were effectually carried out in this lengthy, able, and militant document. The offensive was opened with a brief summary of Germany's failures to fulfil her obligations prior to the 1st May, 1921; deficits in coal deliveries; non-payment of the twenty milliards mentioned in Article 235; Germany's refusal to pay before the 23rd March, 1921, the sum of one milliard gold marks, still due; Germany's refusal to transfer her gold reserves to the branch offices of the *Reichsbank* at Cologne or Coblenz as security; Germany's refusal to pay one milliard gold marks to the *Banque de France* on the 30th April, 1921. This was followed by a detailed indictment of the German Government's conduct since its acceptance of the Schedule of Payments on the 11th May, 1921; a brilliantly drawn analogy between Germany and a private debtor (to whom the Court would refuse to grant a period of grace if he had behaved as Germany had done, 'and would accord to his creditors the right to seize his property'); and an insistence upon two preliminary questions:

[1] Text in Reparation Commission, *Official Documents relative to the Amount of Payments to be effected by Germany under Reparation Account*, Second Part.

(*a*) had the sums for Reparation which Germany was required to pay become a first charge upon all her revenues? and (*b*) was the German tax-payer as heavily taxed as Allied tax-payers? Those questions were answered in the negative after a point-to-point examination of the German programme of the 28th January, and the conclusions were formulated as follows:

> The French Delegation is convinced that even now the German Government could, with the help of its nationals, execute in 1922 its entire obligations as laid down in the Schedule of Payments.
>
> It realizes, however, that, having regard to the present *de facto* situation, this could not be accomplished without causing monetary disturbances directly or indirectly affecting its future capacity for payment and the interests of the Allied Powers.
>
> If it had been proved—as claimed by the German Government—that Reparation payments had destroyed the balance of Germany's budget, had affected the inflation of her paper currency, ruined the German exchange and upset world economy, the obvious duty of the Reparation Commission would have been to grant at its discretion the postponement of payment requested.
>
> If, on the contrary, it were proved—as the French Delegation believes it has done—that the most serious causes of the trouble have no connection with Reparation, if facts prove that the German crisis is due to the bad administration of the finances of the Commonwealth, and to the refusal of the German Government to adapt public finances to the situation arising out of the Treaty of Versailles and the bad faith of its nationals—it would then be the duty of the Commission no longer to avoid the responsibilities of the task assigned to it by the Treaty and to make the fullest use of its powers of control in order to guarantee that the claims of the Allied Powers on Germany be satisfied.

To this was appended a draft decision in the name of the Reparation Commission, limiting German payments during 1922 to the maxima already agreed upon, but at the same time laying down, in an Annex, a formidable array of 'measures to be adopted' and 'supervision' to be imposed in regard to the resources and expenditure of the *Reich*, the Budget of the States, Provinces, Municipalities, Chambers of Commerce, &c., a levy on capital, the raising of loans, measures to prevent the migration of capital, the autonomy of the *Reichsbank*, and the preparation of statistics.

Owing to the pressure of time and to the omission of the other parties represented on the Reparation Commission to present their views in precise written form, the French memorandum 'was accepted as a suitable basis for the final discussion in the Commission'; the other delegates 'explained their respective standpoints' orally 'in a series of secret meetings'; and at an official meeting held on the 21st March a unanimous decision was taken by the

Reparation Commission as a whole which was embodied in two notes of that date addressed to the German Government.[1] The first note, conditionally and provisionally granting the partial moratorium, practically reproduced the first three articles of the French draft. During 1922 Germany was to make an inclusive payment of 720,000,000 marks (gold) in cash [2]—the balance unpaid up to date [3] being distributed over nine monthly instalments of unequal amounts —and 1,450,000,000 marks (gold) in kind—950,000,000 to France and 500,000,000 to other Powers—the deliveries in kind being inclusive of the proceeds of the British Reparation (Recovery) Act and similar legislation. The penalty for obstruction or breach of procedure in making deliveries in kind was to be an equivalent additional cash payment at the end of the year (Art. 1). The first charge upon payments in kind was to be costs of occupation (Art. 2). The liabilities postponed under the partial moratorium were to accumulate at 5 per cent. and were to be discharged by additional annuities as soon as the Schedule of Payments of the 5th May, 1921, was brought back into operation (Art. 3). The postponement was provisional, and the Schedule of Payments would take effect once more if on the 31st May the Reparation Commission were dissatisfied with the progress made by Germany towards satisfying the conditions laid down in the other note of even date, or again if Germany failed to satisfy the Reparation Commission in this respect at a subsequent date. In their second note of the 21st March, 1922, which was based upon the Annex to the draft note in the French Memorandum, the Reparation Commission departed farther from their model—omitting certain sections altogether [4] and modifying most of the French draft provisions for control—but nevertheless they extended the scope of the supervision exercised by the Committee of Guarantees over the finances of the *Reich* in three important respects.

In the first place a certain programme for the realization of additional resources was imposed upon Germany, and it was provided that the measures for the application of the German laws

[1] For the text of these notes see Reparation Commission, *Official Documents*, vol. i; for their genesis see the prefatory note by the General Secretary of the Reparation Commission to the text of the French Memorandum in Reparation Commission, *Official Documents*, Second Part.

[2] Exclusive of her obligations under Articles 8–12 of the arrangement of the 28th June, 1919 (the 'Rhineland Agreement').

[3] Approximately 438,000,000 marks (gold).

[4] e. g. the proposals for controlling the Budget of German local authorities and for a direct levy on German capital under Allied supervision.

and regulations relating to taxes and tariffs, as they might stand after the inauguration of the programme, should be discussed between the delegates of the German Government and those of the Reparation Commission. The latter should, through the Committee of Guarantees, exercise at each stage a supervision sufficiently thorough to enable it at all times to follow the progress made in carrying out this legislation, and more especially in the work of assessing and collecting taxes, and to bring to light any defects. If occasion arose it would request Germany to take the measures necessary to remedy such defects and, in the event of Germany failing to adopt within a reasonable time such measures as the Commission considered to be sufficient, it would pronounce upon such failure.

In the second place a substantial reduction of expenditure was demanded and it was provided that the German Government should work out, in agreement with the Reparation Commission, a system for checking the expenditure provided for in the Budget in such a way as to prevent the credits from being exceeded, and so as to show clearly the actual use to which the funds were put, the Committee of Guarantees being entrusted with the operation of the check.

In the third place it was provided that the Committee of Guarantees should draw up, with the German Government, a scheme for the strengthening and development of the check which it already exercised over exports and the collection of currencies to such an extent as might be necessary to ensure the effective supervision of the execution of measures to prevent the abusive export of capital.[1]

The dispatch of these two notes was followed by a controversy[2] between the German Government and the Reparation Commission as to whether the supervision contemplated was compatible (even in its modified form) with Germany's financial independence. The Reparation Commission emphasized the principle which had been latent in the London suggestions of December, 1921, that, since 'Germany had petitioned for postponement of her obligations under the Treaty and the Schedule of Payments, the Commission, in according postponement, was within its rights in imposing whatever conditions it might regard as necessary'.[3] On the 16th April,

[1] Reparation Commission, *Report*, 1920–2, pp. 154–5.
[2] Text of correspondence in Reparation Commission, *Official Documents*, vol. i.
[3] Letter of the 13th April, 1922.

however, the German Government made the first monthly payment laid down in the partial moratorium schedule of the 21st March ; [1] and, in a note of the 9th May, it promised to submit a complete scheme of financial reform by the 31st May and it undertook to afford the Reparation Commission all the facilities for investigation demanded, to consult the Reparation Commission as regards legislative projects planned in certain financial matters, and to ' use its best endeavours ' to comply with the conditions laid down in the note of the 21st March, 1922.[2] On the 28th May it submitted, under a covering letter, a ' Plan for covering the Expenditure of the *Reich* during the Fiscal Year 1922 ', and on the 30th May the text of a Bill for a forced loan in substitution for sixty milliards (paper) of additional taxation which had been demanded by the Reparation Commission before the 31st May. In view of these steps on the German side, the Reparation Commission confirmed, on the 31st May, the partial moratorium which they had granted provisionally on the 21st March.[3] In consequence, the Committee of Guarantees paid a third visit to Berlin in June, 1922, and presented a report on the 18th July in the form of a memorandum [4] setting out the means by which the supervision—required under the conditions of the 21st March and accepted by Germany on the 9th May—was to be exercised. The terms of this memorandum were accepted by the German Government on the 21st July, and the Committee of Guarantees set up a Permanent Delegation in Berlin, organized in five sections. However, ' this daily work of supervision, demanding a descent into the minutiae of the finances of one of the largest and most complicated of European states ',[5] had hardly been put in train before M. Poincaré pushed the Reparation Commission and all its works into the background by inaugurating the third phase of the Reparation Problem, distinguished by the direct action of

[1] For the accounting position on the 30th April, 1922, see Reparation Commission, *Statement of Germany's Obligations at the 30th April, 1922*, especially Tables IV, VIII, and IX.

[2] At the same time the German Government recorded the opinion ' that some of these conditions were incapable of fulfilment ', prophesied that important payments in foreign currency could not be met without the aid of foreign loans, and declared its inability to impose additional taxation to the amount of 60,000,000,000 marks (paper) before the 31st May, 1922, which the Reparation Commission had demanded.

[3] Certain points still outstanding on the 31st May were dealt with in a letter from the Reparation Commission to the German Government dated the 14th June, 1922 (text in Reparation Commission, *Official Documents*, vol. i).

[4] Text in Reparation Commission, *Report*, 1920–2, p. 267.

[5] *Op. cit.*, p. 157.

France and Belgium, on their own interpretation of the Versailles Treaty, in isolation from their Allies. The remainder of the year 1922 was occupied with efforts by the other parties to avert, or at least to postpone, this evil day.

As early as the 28th March the Reparation Commission had decided to appoint a Committee of Experts to consider the conditions under which the German Government, ' regard being had to its obligations under the Treaty of Versailles and in particular under the Schedule of Payments of the 5th May, 1921, could raise foreign loans to be applied to the redemption in part of the Reparation debt ', and on the 18th April they announced [1] the terms of reference and the *personnel*.[2] This Committee met in Paris on the 24th May. On the 1st June they asked the Reparation Commission whether their terms of reference permitted them ' to examine the possibility of solutions involving modifications ' of the Treaty and the Schedule, and on the 7th June the Reparation Commission decided, by a majority of three to one, the French delegate dissenting, that the Committee was to have an entirely free hand, though its suggestions would not be binding in any way upon the Reparation Commission. The Committee were informed of the French delegate's dissent but were assured at the same time that in this case the vote of the majority of the Reparation Commission was valid, and under these conditions they reported on the 10th June.[3] They announced that they had decided immediately and unanimously that ' they could not, within the limits of their terms of reference understood in their more restrictive sense, offer any prospect of an external loan ', since potential investors would not come forward unless and until they were assured that Germany's obligations were within her capacity, that she genuinely intended to meet them, and that the loan would promote a permanent settlement of the Reparation Problem. They had therefore asked for a wider scope ; but on the basis of a mere majority decision, from which France dissented, they had felt that they could not usefully pursue their inquiry, since France was Germany's chief creditor and since the

[1] Reparation Commission *communiqué* of the 18th April, 1922.

[2] The Committee consisted of the following seven members, representing the banking interests in their respective countries : M. Delacroix (Belgium), M. Sergent (France), Herr Bergmann (Germany), Sir R. Kindersley (Great Britain), Signor d'Amelio (Italy), M. Vissering (Netherlands), and Mr. Pierpont Morgan (United States).

[3] Text of their report in Reparation Commission *communiqué* of the 10th June, 1922. The representative of the French bankers, M. Sergent, dissented from the report and associated himself with the views of the French delegate on the Reparation Commission.

favourable atmosphere necessary for the flotation of a loan would be destroyed by the knowledge that the Reparation Commission were not unanimously in favour of the necessary conditions. They reported, therefore, that, in the circumstances, they could not advise that a loan was feasible, and they laid down four conditions which must be satisfied if a foreign loan to Germany was to be made possible in the future : (i) the lending public must be convinced that Germany was making a genuine effort to put her finances in order and to re-establish her credit by meeting her obligations ; (ii) the existing uncertainty regarding Germany's Reparation liabilities must be removed ; (iii) if American participation was to be secured, the loan must be at the unanimous request and for the benefit of the Allied nations, and their nationals must play their part in subscribing to it ; (iv) it would not be enough to remove the uncertainty regarding Germany's Reparation liabilities without at the same time removing the further uncertainty regarding the external debts of the Allied countries. ' Certainty ' was ' essential ' ; ' mere leniency in enforcement ' was ' not sufficient ' ; and the Committee ' could not ignore the fact that, in the minds of those who considered any adjustments of the Reparation obligations ', such questions as inter-Allied indebtedness ' were bound to be discussed and that they were among the factors in the problem of securing that desirable Allied agreement which they considered one of the essential conditions of a loan to Germany '. The Committee concluded by offering their services if at any time in the future the Allied Governments were able to give them a unanimous invitation on the wider terms of reference for which they had asked. Granted these conditions, they expressed a cautious optimism as to the prospects of a loan, a decided opinion that ' the resumption of normal conditions of trade between countries and the stabilization of the exchanges was impossible without the definite settlement of the Reparation payments as of other external public debts ', and a warning that delay involved the danger of a financial breakdown in Germany. The publication of this report ruled out, for the time being, one possible solution of the Reparation Problem which might have averted the application of M. Poincaré's policy, but at the same time it hinted (with the reserve demanded by the presence of an American representative) that another possibility might be opened up by linking the question of German Reparation with that of Inter-Allied Debts, and this suggestion retained a prominent place in the diplomatic discussions during the remainder of the year 1922.

On the 1st August the subject was taken up in a note addressed by Lord Balfour to the representatives in London of Allied Powers owing war debts to Great Britain.[1] After recalling the figures of the sums owing to Great Britain respectively by Germany, Russia, and the surviving Allies and by Great Britain to the United States, and stating that His Majesty's Government were 'prepared, if such a policy formed part of a satisfactory international settlement, to remit all the debts due to Great Britain by her Allies in respect of loans, or by Germany in respect of Reparations', Lord Balfour mentioned that the American Government, in accordance with their rights, had required Great Britain to pay the interest accrued since 1919 on the Anglo-American debt, to convert it from an unfunded to a funded debt, and to repay it by a sinking fund within twenty-five years, and added that, if Great Britain's undoubted obligations as a debtor were to be enforced, her not less undoubted rights as a creditor could not be left wholly in abeyance. There followed a request to the Government addressed in each instance that they should 'make arrangements for dealing to the best of their ability' with their debt to Great Britain, coupled with an assurance that the amount of interest and repayment for which His Majesty's Government asked depended not so much on what France and other Allies owed to Great Britain as on what Great Britain had to pay to America and that they did not propose in any circumstances to ask more from their debtors than was necessary to pay to their creditors. The Allies were reminded that the British debt to the United States had been incurred in their behalf, and in the last paragraph the note reverted to the question of Reparation.

> Ex-enemy countries also are involved; for the greatest of all international debtors is Germany. Now His Majesty's Government do not suggest that, either as a matter of justice or expediency, Germany should be relieved of her obligation to the other Allied States. They speak only for Great Britain; and they content themselves with saying once again that so deeply are they convinced of the economic injury inflicted on the world by the existing state of things that this country would be prepared (subject to the just claims of other parts of the Empire) to abandon all further right to German Reparation and all claims to repayment by Allies, provided that this renunciation formed part of a general plan by which this great problem could be dealt with as a whole and find a satisfactory solution. A general settlement would, in their view, be of more value to Mankind than any gains that could accrue even from the most successful enforcement of legal obligations.

[1] *Dispatch to the representatives of France, Italy, Serb-Croat-Slovene State, Rumania, Portugal, and Greece at London respecting war debts* (*Cmd.* 1737 of 1922).

Unhappily, however, a line of approach towards a general settlement was not to be found in this quarter in 1922, any more than by way of a foreign loan to Germany. The British thesis of 'a connected series of transactions' was unpalatable both to the Allies and to the Americans from different points of view. To the American public the note suggested that Great Britain was unwilling to honour unconditionally her financial obligations to the United States Government, while the Allies interpreted it to mean that Great Britain was unwilling unconditionally to set off Inter-Allied Debts against Reparation as far as they were concerned. Thus the diplomatic effect of the note was rather to hinder than to promote a moderate and practical solution of the Reparation Problem, and it exercised a distinctly adverse effect upon the fortunes of the Conference which opened in London a few days later.[1]

Meanwhile the paper mark, which had rallied somewhat from its disastrous fall of the autumn of 1921 about the time that the Anglo-French suggestions of London were published in December, and had not sunk back to its November level until March, 1922, had started again upon a rapid downward course in June,[2] and on the 12th July the German Government addressed a note [3] to the Reparation Commission, setting forth the facts regarding this depreciation, ascribing it to their efforts to pay Reparation, prophesying a financial catastrophe if they were to be forced to continue the purchase of foreign currencies on the previous scale, and demanding a total moratorium upon cash payments not only for the remainder of the year 1922 but for the two following years

[1] See p. 180 below.

[2] *The Mark Exchange*

(Monthly Averages of Daily Rates on London. Marks to the £)

	1920	1921	1922
January	231	244	809
February	329	236	895
March	304	243	1,262
April	238	250	1,282
May	183	246	1,297
June	154	257	1,448
July	153	279	2,177
August	172	305	4,676
September	199	399	6,513
October	238	577	13,816
November	265	1,020	29,373
December	256	799	34,323

(*The Economist*, Reparations Supplement, 31st May, 1924, p. 14.)

[3] Text in *L'Europe Nouvelle*, 12th August, 1922.

as well.[1] This German note of the 12th July appears to have crossed a letter of the 11th from the Reparation Commission, informing the German Government that the net payment due on the 15th July was approximately 32,000,000 marks (gold), the remainder of the inclusive instalment of 50,000,000, prescribed for that date under the partial moratorium of the 21st March, 1922, having already been covered by various credits; and the German Government had admitted, in their note of the 12th, that they actually had this net amount in hand in foreign currencies. They pleaded, however, that this sum should be left at their disposal to pay for cargoes of foreign corn which were to reach Germany shortly, and to assist them in their attempt to arrest the fall of the mark. On the 13th July the Reparation Commission[2] insisted that the net instalment due on the 15th should be paid, while on the larger question of the German request for a total moratorium upon cash payments during the remainder of 1922 they reserved their answer until the receipt of a report from the Committee of Guarantees upon their third visit to Berlin,[3] though they promised to come to a decision by the 15th August at the latest. As a result of this correspondence, the net instalment due on the 15th was duly paid on the 17th by the German Government, a draft resolution in favour of a further moratorium was submitted to the Reparation Commission on the 3rd August by Sir John Bradbury, and another Inter-Allied Conference was held on the 7th–14th August in London, in which M. Poincaré launched his policy of ' productive guarantees '.

Sir John Bradbury proposed[4] that Germany should be given a total moratorium for all further cash payments due from her

[1] In the same note, the German Government asked for a moratorium upon payments in respect of pre-war commercial debts and of the restitution of property confiscated during the War, which were due under the Versailles Treaty, Art. 238 and Part X, Sections 3 and 4, and repeated the request in a separate note of the 14th July. On the 17th July Great Britain replied on this point, on behalf of the Allies as a whole, by denouncing the General Convention of the 10th June, 1921, by which these transactions had been governed, and declaring the intention of the several Allied Governments to conclude separate agreements with Germany on the subject. On the 26th July M. Poincaré opened a correspondence with the German Ambassador in Paris, on the matters arising out of the German note of the 14th July, which ended in complete disagreement and was followed on the 5th August by the expulsion of 500 German nationals from Alsace as a sanction in reprisal for Germany's intransigeance (text of correspondence in *L'Europe Nouvelle*, 12th August, 1922).

[2] Text of note in *L'Europe Nouvelle*, 12th August, 1922.

[3] This report was received on the 18th July. See p. 174 above.

[4] Text of his draft resolution of the 3rd August, 1922, in *L'Europe Nouvelle*, 12th August, 1922.

during the remainder of 1922, not only under the Schedule of the 21st March, 1922, in respect of Reparation, but under Article 238 and Part X, Sections III and IV, of the Versailles Treaty in respect of the restitution of confiscated private property and the liquidation of pre-war debts, on condition that the monthly payments offered by Germany on these latter accounts should be paid to the Reparation Commission to be applied to objects upon which the Commission would decide later. In view of the urgency of the question, no new conditions were to be imposed upon Germany at the moment, but the liabilities deferred were to accumulate at interest on the principle established in the partial moratorium of the 21st March, and the question of additional conditions was to be examined in connexion with that of the payments to be exacted from Germany in 1923 and 1924. On the 6th August the Reparation Commission, by a majority of three to one, adjourned a decision upon this draft resolution until after the forthcoming Conference of London.

At the London Conference,[1] on the 7th August, M. Poincaré brought forward, as conditions of a moratorium, a series of proposals for 'productive guarantees', namely: (i) the control of import and export licences for the Rhineland Occupied Territory by an Inter-Allied Commission; (ii) the exploitation and contingent expropriation of the Prussian State Mines in the Ruhr Basin and of the forests belonging to the public domain of the German Federal States; (iii) the appropriation of 60 per cent. of the capital of German dyestuff factories on the left bank of the Rhine; (iv) the collection of the customs duties along Germany's western frontier, the re-establishment [2] of a customs cordon along the Rhine, and the establishment of another round the Ruhr Basin; and (v) the appropriation of the German custom receipts and of 25 per cent. of the value of German exports. These proposals were referred on the same date to an Inter-Allied Committee of Experts, who reported on the 9th, but their report [3] scarcely advanced the work of the Conference, since they found themselves disunited in regard to almost every issue. On the first four proposals the French and British Experts disagreed profoundly, and, except in the case of the Ruhr Mines, in regard to which they obtained a qualified support from the Belgians and Italians, the French were invariably in a

[1] For the *procès verbal* of this Conference see British Blue Book, *Minutes of the London Conference on Reparations*, August, 1922 (*Cmd.* 2258 of 1924).

[2] This 'sanction' had been imposed once before between the 9th April and the 1st October, 1921. See p. 131 above.

[3] Text in *Cmd.* 2258, No. 3.

minority of one. The contention of the British Experts, in which they were usually supported by their Italian, Belgian, and Japanese colleagues, was that M. Poincaré's proposals would only produce receipts for the Allies in the form of depreciating paper marks, while they would seriously cripple the economic life of Germany. On the other hand the Experts were unanimous in declaring that

> the receipts already under control of the Committee of Guarantees, viz. the customs revenues and the export levy, would constitute excellent resources for the Allied Governments if their proceeds were paid to accounts in the name of the Committee of Guarantees.[1]

The members of the Committee, with the exception of the French delegate,

> took the view that the alternative guarantees proposed by M. Poincaré were superfluous in so far as they were intended as security for the cash payments now required, and that the disadvantages they involved more than outweighed the value of the proceeds which might be obtained from them. These proceeds would be paper mark proceeds, the realization of which would present difficulties, whereas the export bills represent sums in foreign currencies.

On the 12th August the British delegation to the Conference submitted a memorandum [2] suggesting the following guarantees, which were based for the most part upon measures which the Reparation Commission or the Committee of Guarantees had taken, or had contemplated taking, already: (i) the autonomy of the *Reichsbank*; (ii) the limitation of the German floating debt; (iii) the payment into an account, to be opened at the *Reichsbank* by the Committee of Guarantees, of the 26 per cent. duty on the total value of German exports (payable in gold or foreign currencies) which was already being collected by the German Government; (iv) the monthly payment into a special account, to be opened at the *Reichsbank*, of all other customs duties on German exports and imports—the credits standing to this account to remain provisionally at the German Government's disposal but to be subject to appropriation by the Reparation Commission at its discretion; (v) a control over the German Budget; (vi) the immediate application by the German Government of the legislation, already agreed upon, for preventing the export of capital; (vii) supervision over the forests of the public domain (under the Versailles Treaty, Article 248) in case of default by Germany in deliveries of wood; (viii) supervision

[1] It will be remembered that the Committee of Guarantees had hitherto abstained from laying hands upon these revenues, and had allowed the German Government to make a direct cash payment in substitution.

[2] Text in *L'Europe Nouvelle*, 19th August, 1922.

over the State Mines in the Ruhr Basin in case of default by Germany in deliveries of coal; and (ix) action by the Reparation Commission and the Committee of Guarantees with a view to ensuring that the German Budget should balance. If the German Government accepted these suggested guarantees, the British delegation proposed that Germany should be granted a total moratorium upon cash payments for the remainder of 1922; that, for a certain period, the total cash payments to be made by Germany in respect of all Treaty charges should be fixed by the Reparation Commission at a definite figure, not exceeding 26 per cent. of the value of German exports, which the Commission might consider suitable in view of the approaching attempt, on the part of the German Government, to float a foreign loan (the greater part of which should be devoted to the payment of Reparation); and that the sanction, in the event of Germany failing to fulfil the requirements of the suggested guarantees, should be the confiscation of the proceeds of the German customs, which were to be left at the German Government's disposal provisionally in accordance with suggestion (iv). On the basis of these British counter-proposals the Conference attempted to arrive at an agreement, and all but the seventh, eighth, and tenth points were adopted, after a stubborn debate, by the other delegations. M. Poincaré, however, refused to accept supervision of the mines and forests as a substitute for seizure, or to endorse so drastic a moratorium as the British memorandum proposed, and on the 14th August the Conference broke up without having come to a decision.[1]

Now that the attempt of the Allied Governments to take direct action had proved abortive once more, and the third report of the Committee of Guarantees had been submitted, the initiative returned to the Reparation Commission, but on the 14th August the latter again postponed their reply to the German request of the 12th July, while suspending the payment of the 50,000,000 marks (gold) due on the 15th August. Between the 19th and the 26th August Sir John Bradbury and M. Mauclère visited Berlin on behalf of the Reparation Commission, and on the 27th the Commission decided to allow the German Government to state their case. The hearings were duly held, and at this juncture a temporary relief from the *impasse* was provided by the Belgian Government, to whom all outstanding cash payments for 1922 were due on account of Belgian

[1] Almost simultaneously, on the 10th August, an agreement was reached in Berlin between Germany and the United States for the appointment of a mixed commission to discuss Reparation, and the Commission started work on the 1st November.

priority, since the payments allocated to Great Britain and France by the Inter-Allied Agreement of the 11th March, 1922,[1] on account of the costs of occupation, had been more than covered by the cash payments received from Germany in 1921 under the Schedule of Payments declared on the 5th May of that year. The deferment of Germany's remaining liabilities for cash payments during 1922 thus affected Belgian interests exclusively, and in these circumstances the French delegate on the Reparation Commission refrained from opposing a joint Belgian-Italian proposal that Germany should be permitted to discharge these liabilities by the delivery of six-months' treasury bills. Consequently, on the 31st August,[2] the Reparation Commission, ' taking into account the fact that the German State had lost its credit both internal and external, and that the mark had depreciated continuously down to three one-thousandths of its normal value ', decided to defer its decision once again, ' until it had completed its scheme for the radical reform of German public finances ', and in the meantime to accept, in settlement of the outstanding cash payments for 1922, six-months' treasury bills ' payable in gold and guaranteed in such a manner as might be agreed between the German Government and the Government of Belgium (to which Power the payments had been assigned) or, in default of such agreement, by the deposit of gold in a foreign bank '. During September negotiations were successfully conducted between the Belgian and German Governments for the deposit of 100,000,000 marks (gold) in foreign banks as security for the bonds, and the first instalment of bonds, covering the cash payments due on the 15th August and the 15th September, was remitted to the Reparation Commission on the 25th September.[3] On the 29th September M. Dubois was succeeded as French delegate on the Reparation Commission by M. Barthou, who had represented the French Government at the Conference of Genoa.[4] It was in these circumstances that Sir John Bradbury submitted to his colleagues, on the 4th October, ' a comprehensive plan for enabling the German Government to balance its budget and stabilize the mark ',[5] which involved a complete moratorium upon payments in

[1] See above, pp. 166–8.

[2] Reparation Commission *communiqué* of the 31st August, 1922. In a covering letter the Reparation Commission reserved their eventual action with a view to ensuring the strict execution of the coal and timber deliveries prescribed for 1922.

[3] Reparation Commission *communiqué* of the 26th September, 1922.

[4] See I (ii) above.

[5] Précis in Reparation Commission *communiqué* of the 14th October, 1922.

cash, and an almost complete moratorium upon deliveries in kind, for two or possibly for four years. The plan was based on the idea of ' fixing the exchange value of the mark by an arrangement under which the *Reichsbank* would sell gold for paper marks at a fixed price to be determined by a mixed commission '. This presupposed the limitation of the floating debt, which presupposed in turn the balancing of the German Budget, and this, in Sir John Bradbury's view, would involve (in consequence of ' the complete collapse ' of the mark) not merely a suspension of cash payments in foreign currencies but an almost complete suspension of deliveries in kind. In order to ' enable the German Government to finance the Peace Treaty charges without expanding the floating debt ', he proposed that the Powers entitled to receive cash payments should accept these payments in the form of five-year bonds which they would themselves negotiate under their own guarantee, and that those receiving deliveries in kind should give their guarantee to German Bonds to an amount equal to the value of the deliveries, which the German Government itself would be entitled to negotiate. The arrangement was to operate in the first instance for two years, but the Reparation Commission was to have power to continue it so far as might be necessary for a further two years. The Allied Governments were to be asked to undertake that before it was brought to an end they would consider the whole question of the aggregate liabilities of Germany under the Peace Treaty with a view to their permanent adjustment to her capacity of payment and to their liquidation by a series of foreign loans.

The plan contemplated that the final adjustment of debts between the Allies should take place at the same time as this settlement, and recommended that the Allied Governments should consider the possibility of immediate arrangements to meet the difficulties which would arise in the interval between the current date and this general settlement.

The underlying idea of the plan was to avoid the suspension of Peace Treaty payments—a course which would create very serious embarrassment to the Budgets of the Allied countries—but at the same time to extend to Germany the credit facilities necessary to enable her to re-establish her own currency and Budget. In order to ensure that the plan should bear fruit, its author proposed, as an integral part of it, that the Reparation Commission should be reconstituted and that its seat should be transferred from Paris to Berlin. Unhappily, however, this far-reaching proposal was still-

born. In a counter-proposal laid before the Reparation Commission on the 18th October, the French delegation rejected the idea of a two-years' moratorium or of any moratorium unaccompanied by securities, submitted that the question could not be divorced from that of Inter-Allied Debts, and recommended nothing more constructive than a fresh conference between representatives of the Allies and Germany at Brussels. The only action taken by the Reparation Commission was to send another mission to Berlin, which duly paid its visit between the 29th October and the 10th November and submitted reports on the 8th and the 15th of the latter month.

In the meantime the German Government had summoned a body of international financial experts to advise them on the financial situation of Germany, and had been presented by them with a majority and a minority report on the 7th and the 9th November respectively.[1] On the basis of these two reports, which differed in the emphasis which they laid upon various aspects of the problem without contradicting one another on points of fact or offering incompatible suggestions,[2] the German Government addressed a note to the Reparation Commission on the 14th November, 1922,[3] in which it outlined a plan for the stabilization of the mark and demanded, as an integral condition of its execution, the following action on the part of the Reparation Commission : (i) the definitive fixing of Germany's liabilities 'at an amount which, including the service of the loans contracted, could be defrayed from the budget surplus' ; (ii) a total moratorium, for three or four years, upon all payments in cash or deliveries in kind ; [4] (iii) the immediate

[1] Texts in British Blue Book, *Inter-Allied Conferences on Reparations and Inter-Allied Debts, held in London and Paris, December 1922 and January 1923 : Reports and Secretaries' Notes of Conversations* (*Cmd.* 1812 of 1923), pp. 6–17. The Majority Report was signed by Messrs. Brand, Cassel, Jenks, and Keynes, the Minority Report by Messrs. Vissering, Dubois, and Kamenka.

[2] e. g. the Majority Report laid stress upon the necessity not only of a complete moratorium upon Reparation liabilities in both cash and kind for at least two years but upon a final settlement of Germany's total Reparation liability, whereas it attached less importance than the Minority Report to the raising of an international loan and was less pessimistic about the adverse balance of Germany's foreign trade. Both reports agreed that Reparation must only be paid out of a real budgetary surplus and not by means of inflation, that a special organization, supplied with adequate resources, must be created for improving the mark exchange, and that, as soon as stabilization was achieved, the existing restrictions imposed upon Germany's foreign trade by other countries must be removed. The points of contact between the Majority Report and Sir John Bradbury's plan of the 6th October were numerous.

[3] In continuation of two previous notes dated the 4th and the 8th November respectively. Text in *Cmd.* 1812, pp. 3–6.

[4] Except those for the direct reconstruction of the devastated areas.

calling of a conference of international financiers to discuss the question of granting Germany a bank credit; (iv) support by the Reparation Commission of proposals for the co-operation of foreign countries with a view to the rehabilitation of the mark. If the Reparation Commission were willing to accept these proposals, and if, further, a guaranteed [1] credit of 500,000,000 marks (gold) for the purpose of stabilizing the mark were forthcoming from foreign banks, the German Government announced that the *Reichsbank* had expressed its willingness to put up another 500,000,000. The milliard thus envisaged was to be 'administered by an independent institution consisting of representatives of the foreign lending groups, the *Reichsbank* and the [German] Federal Financial Administration', and was to be employed in the rehabilitation of the mark exchange. So soon as the recovery of the mark had restored confidence in Germany, the Government would float an internal gold loan and also foreign loans if possible, and half the proceeds of the internal loan and all those of any foreign loans would be assigned to the payment of Reparation, even before the expiry of the proposed moratorium. At the same time the German Government promised to cut down public expenditure and to improve the balance of trade by stimulating production (even to the extent of modifying the statutory hours of labour), but it demanded on the other hand that, as soon as the mark exchange had been stabilized, the existing restrictions imposed upon Germany's foreign trade by other countries should be removed. This note was communicated by the German Ambassador in London to the British Government on the 15th November, and on the 9th–11th December, at the British Government's invitation, representatives of the Allied Governments held in London a Conference [2] intended to be preliminary to the meeting between the Allies and Germany at Brussels which had been proposed by France.

At the opening meeting of this London Conference on the 9th December, M. Theunis (Belgium) referred to the omission of the question of Inter-Allied Debts from the agenda of the London Conference of the preceding August; M. Poincaré recalled the 'productive guarantees' which he had demanded, on the same occasion, as the condition of a moratorium; and Signor Mussolini read a memorandum [3] containing the definite proposals that the

[1] The security was to be provided by the German Government, with the consent of the Reparation Commission, and not by the *Reichsbank*.
[2] Reports of conversations in *Cmd.* 1812.
[3] Text in *op. cit.*, p. 28.

'C' bonds of the 1921 Schedule of Payments should be cancelled—part of their nominal amount being set off against the remission of war debts owing to Great Britain by her Allies; that Germany should be granted a two-years' moratorium on the 'A' and 'B' bonds; that she should be required to raise an internal loan—the proceeds to be employed partly for the stabilization of the mark and partly for Reparation; and that 'certain German state revenues, on which there was at present a Reparation lien, should be taken over as security for this loan'. At a second meeting on the same day, M. Poincaré offered 'to deliver to Great Britain forthwith out of the French share of the "C" bonds a capital nominally equal to the nominal amount of the French debt', and, as part of the same transaction, to allow other Allied Powers, by a similar transfer of 'C' bonds, to settle their war debts to France. This offer drew from Mr. Bonar Law a suggestion which represented an important concession to the Allies on the part of the British Government as compared with the doctrine laid down in the Balfour Note:

> If he saw some chance of a complete settlement with a prospect of finality he would be willing to run the risk in the end of having to pay an indemnity, that is to say, of paying more to the United States of America than Great Britain would receive from the Allies and Germany. But he was sure that all would agree that it would be foolish to make such a concession if the whole question were going to be raised again. For this reason he would not discuss M. Poincaré's proposals in regard to pledges at the moment. His own view was that we should never get out of our difficulties unless some arrangement could be made which would bring the Allied debts on a reasonable basis and fix a final amount for German Reparations at a figure which the world would say that Germany could pay and which would enable Germany to obtain a loan and bring the world into normal conditions.

In regard to Mr. Bonar Law's last point, however, M. Poincaré declared that

> France could not accept any reduction of the German debt which would involve a reduction in her receipts. Hence, if it were proposed that the figure of 132 milliard gold marks should be reduced by 30, 40, or 50 milliards, he could not accept. Consequently, the plan to which Mr. Bonar Law had alluded would consist essentially, if Great Britain consented, in the surrender of the French portion of the series 'C' Bonds up to the amount of their indebtedness to Great Britain. If this portion were cancelled, Germany would enjoy an equivalent reduction, as the 132 milliards of the Schedule of Payments would be proportionately reduced. Then there arose the question of the debt of the smaller Allies to France. France also would accept 'C' Bonds for this. If it were agreed to cancel Reparations to the amount of the 'C' Bonds received from all these sources, the result would be to the advantage of Germany up to that amount.

On the 10th December the Conference considered a note from the German Government, dated on the previous day and enclosing a ' Tentative Plan for a Provisional Settlement of Reparations ' [1] which substantially reproduced the proposals put forward in the German note of the 14th November to the Reparation Commission, with additional particulars regarding the terms of the internal gold loan which was to re-attract into Germany the capital exported by private German nationals during the preceding years. After a severe criticism of these German proposals on the part of M. Poincaré, the Conference agreed to reject them,[2] but no agreement was reached in regard to M. Poincaré's plan for ' productive guarantees ', which he now expounded in detail.

> He would now imagine himself in company with all the Allies to be in occupation of Essen and Bochum and would give an idea of what he would say to the Germans. He must, however, prelude this by saying that he was quite at ease in regard to the execution of the operation, and did not anticipate any difficulties. In three hours, without any mobilization, without any offensive militarism or imperialism, the Allied forces now in certain occupied towns would be established in the heart of the German industrial region in the centre of the mines and manufactures. He would begin by trying to obtain the goodwill of Germany by the pressure of the occupation of Essen and Bochum. If, however, Germany, by means of loans or otherwise, did not give him the guarantees he required, he would try and obtain a profit from the Ruhr and the whole of the left bank of the Rhine. He was under no illusion as to the proceeds. He realized they would not be as great as the Schedule of Payments. He had said in the Chamber that he did not expect to get as much as was provided for by the Schedule of Payments. He had said that as a condition of the moratorium they would take certain securities, but they would never obtain as much as they might hope to obtain from the Schedule of Payments or from a loan. Consequently his idea was to begin by giving a moratorium and encouraging a loan, but, if not, to get as much profit as he could. He considered it necessary to take pledges with two successive but not simultaneous objects in view : first to force Germany to make propositions acceptable to the Allies ; and secondly, if Germany did not execute her promises, to remain and try and get as much profit as possible.

In the course of the discussion M. Poincaré made two things clear : he would consent to no moratorium without taking the above-mentioned pledges as a minimum, and he would remit no greater amount of the German Reparation debt than the amount of the French war debt which might be remitted to France by Great Britain. In view of this, Mr. Bonar Law, after consulting

[1] Text in *op. cit.*, p. 57.
[2] Text of reply from Mr. Bonar Law to Herr Cuno in *op. cit.*, p. 60.

his Cabinet, proposed, at the next and final meeting of the Conference on the 11th December, that the discussion should be adjourned to a second preliminary meeting to be held in Paris; and it was eventually arranged that this meeting should take place on the 2nd January, 1923, and that the general conference, at which Germany was to be represented and which had been appointed to be held at Brussels on the 15th January, should be held in Paris likewise in order to economize the brief interval of time which was left before that date. The even briefer interval, however, before the reassembly of the Inter-Allied Conference in Paris was sufficient to enable the French Government to take a momentous step in the domain of the Reparation Commission.

On the 11th December, 1922, when the Inter-Allied Conference adjourned, the legal position was as follows. The question of granting Germany a more extensive moratorium than that which she had obtained from the Reparation Commission on the 21st March and the 31st May, 1922, was still in suspense, and therefore likewise the question of applying M. Poincaré's 'productive guarantees', so long as these guarantees were put forward solely as conditions for the extended moratorium which Germany had demanded. Could M. Poincaré discover any legal ground for taking his guarantees, apart from the concession of a moratorium, at his own time, and if necessary on the sole initiative of the French Government, in isolation from the other Principal Allied Powers? Such ground would be provided if the Reparation Commission were to notify the interested Powers, under the Versailles Treaty, Part VIII, Annex II, § 17,[1] that Germany was in default, for this would entitle the Allied Governments to act under § 18,[2] and if that paragraph were interpreted to

[1] '§ 17. In case of default by Germany in the performance of any obligation under this Part of the present Treaty, the Commission will forthwith give notice of such default to each of the interested Powers and may make such recommendations as to the action to be taken in consequence of such default as it may think necessary.

§ 18. The measures which the Allied and Associated Powers shall have the right to take, in case of voluntary default by Germany, and which Germany agrees not to regard as acts of war, may include economic and financial prohibitions and reprisals and in general such other measures as the respective Governments may determine to be necessary in the circumstances.'

[2] The Reparation Commission had formerly notified a German default under § 17 on three previous occasions: (i) on the 30th June, 1920, in regard to deliveries of coal, and (ii) and (iii) on the 24th March and the 3rd May, 1921, respectively in regard to Article 235. It is important to observe that none of these three notifications of default under § 17 had been followed by forcible and unilateral action on the part of the Allied Governments under § 18. The first notification had been met by the Spa coal agreement of the

mean that any Allied or Associated Power might take separate action, and that the 'other measures' left to their discretion were not limited by the context to the economic and financial spheres, then it would cover the military occupation of the Ruhr Basin and the seizure of 'productive guarantees' which M. Poincaré was resolved to carry out on some ground or other. But could Germany be declared in default? Evidently not in regard to cash payments, since, by their decision of the 31st August, 1922, the Reparation Commission had permitted Germany to discharge the remainder of her liabilities in cash for 1922, under the reduced Schedule of Payments of the 21st March, by the delivery of six-months' treasury bills to Belgium. If Germany was to be pronounced in default for 1922, it must therefore be in respect of deliveries in kind, and the point selected for attack was the delivery of timber, in which Germany happened to be in arrears.

The deliveries of timber required from Germany by the end of 1922 had been notified to her by the Reparation Commission on the 31st March, and by the 30th November the French Government had only received 31,440 out of 55,000 cubic metres of sawn timber which Germany had undertaken to deliver by the 30th September, and only 58,352 telegraph poles out of 200,000 due on the 30th November. These shortages were, of course, infinitesimal compared not merely with the total values involved in Reparation but with the amount of the liabilities which the Reparation Commission had permitted Germany to defer by their decisions of the 21st March and the 31st May. Moreover, in a hearing on the subject [1] which the Reparation Commission had granted to representatives of the German Government on the 1st December, the latter had brought forward a number of facts which went far to explain the delay without necessitating an assumption of wilful negligence or 'voluntary default' on the part of the German authorities. In some cases the Allied Governments had specified units of delivery unusual in Germany; in other cases their technical services had exacted standards for the material delivered which were higher than those laid down in the original arrangement; but the principal cause had been the fresh collapse of the paper mark which had begun in

16th July, 1920, and the second and third by the German acceptance on the 11th May, 1921, of the Schedule of Payments of the 5th May, 1921. The second notification had merely been used, retrospectively, to cover sanctions already taken by the Allied Governments on the 8th March without legal justification.

[1] Minutes of the meeting in Reparation Commission, *Report*, 1920–2, Appendix XXXV.

June. In the German timber trade it had still been customary, during the earlier part of the year, to make contracts in fixed sums of paper marks and not on a sliding scale. The sudden fall of the paper mark in June had therefore produced a cessation of deliveries of Reparation timber to the German Government on the part of the private German contractors from whom the Government was purchasing the amounts required; legal remedies had been tried in vain; and it had been several weeks before the Government had procured a resumption of deliveries by putting its payments to the contractors on a gold basis. The German representatives declared that the same cause had produced similar delays in the delivery of timber ordered for the German Government's own consumption at home. No action had been taken by the Reparation Commission on the occasion of this hearing, but at a further meeting on the 26th December, at which the Germans were not present, M. Barthou, the Chairman, 'on behalf of the French Delegation, requested the Commission to note officially a default by Germany'.

The meeting of the 26th December, 1922,[1] resolved itself into a duel between M. Barthou and Sir John Bradbury. M. Barthou stated the amount of the shortages; Sir John Bradbury recalled the facts which had been brought out during and since the hearing of the 1st; submitted that the only culpable negligence chargeable to the German Government was a delay of several weeks in placing the payments to its timber contractors on a gold basis; and recalled the fact that, in the note dispatched to the German Government by the Reparation Commission on the 21st March, it had been laid down that any shortages in the deliveries in kind to France or to any other Power entitled to Reparation which had been imposed on Germany for 1922 were to be met by the exaction of 'equivalent cash payments at the end of 1922 in replacement of the deliveries not effected'.[2] He contended that this proviso superseded the general provisions of the Versailles Treaty in so far as these particular deliveries were concerned and that the application of § 17 was therefore ruled out in the present instance. He characterized the failures under consideration as 'almost microscopic', and alluded in the following terms to the policy of M. Poincaré:

> The fact was that this trumpery accusation was only before the Commission at the moment as a preparation for an offensive in other fields. Since, in the tenth year of the war, Troy fell to the stratagem

[1] Minutes of the meeting in *loc. cit.*

[2] See p. 172, above.

of the wooden horse, history recorded no similar use of timber. The situation was at present somewhat different ; it was the fifth year of the peace, and the city under attack was not Troy, but Essen.

M. Barthou contended in reply that the Reparation Commission's note of the 21st March did not, in this instance, supersede the Treaty, because the question of default had been raised, not by the Reparation Commission itself, but by the French Government. Thereupon Sir John Bradbury announced his intention of resigning from the Commission if the note of the 21st March were repudiated, and he also raised the question of the interpretation of § 18 in the event of action being taken under § 17 by the Reparation Commission.

If the Commission declared Germany to be in default within the terms of paragraph 17 of Annex II, though not obliged to do so, the Commission might make certain recommendations as to the action to be taken by the Allied Powers. Whether it made any recommendations or not, paragraph 18 defined that action. The Chairman had entered a reserve as to any rights which the French Government might possess under that paragraph, and before the Commission decided to take note of any default it should consider what rights could thus be reserved. The interpretation of paragraph 18 depended on the Commission, which had received a mandate by the contract of the Allied Powers with Germany to interpret the portion of the Treaty in which it figured. Very grave difficulties had arisen in connexion with the interpretation of this paragraph, and certain Powers had maintained that the words ' and in general such other measures which the respective Governments may determine to be necessary in the circumstances ', were to be read absolutely at large as enabling any Allied Power, notwithstanding the definite provisions in other portions of the Treaty limiting the extent of the territories to be occupied, to extend the area of military occupation. This was a question of vital importance for the peace of Europe, which could only be decided by a unanimous decision of the Commission. The Commission ought not to allow the question to escape out of its control until it had definitely laid down, as it alone could, the definite and authoritative interpretation of that paragraph.

M. Barthou replied that his interpretation of § 18 differed from that of Sir John Bradbury, but that in any case he considered that this interpretation was not within the competence of the Commission. Eventually, when it had become apparent that the Italian and Belgian delegates were inclining towards the French side, M. Barthou put two motions to the vote :

(1) The Commission notes that Germany has not executed in their entirety the orders passed under Annex IV, Part VIII of the Treaty of Versailles, for deliveries of timber to France during 1922.

Sir John Bradbury, M. Louis Barthou, Signor d'Amelio, and

M. Delacroix voted in favour of this proposal, which was in consequence adopted unanimously.

The Chairman then put to vote the second proposal :

(2) This non-execution constitutes a default by Germany in her obligations within the meaning of Paragraph 17 of Annex II.

M. Louis Barthou, Signor d'Amelio, and M. Delacroix voted for this proposal. Sir John Bradbury voted against. The proposal was thus adopted by a majority.[1] It was decided at the same meeting that the phrase ' interested Powers ' in § 17 of Annex II should be understood to mean Great Britain, France, Italy, and Belgium, and that a copy of the notification addressed to them should be sent to the Government of the United States. On the other hand, a proposal from Sir John Bradbury that a formal notification should be sent to the German Government also, as had been done on previous occasions, was rejected by three votes to one. The Commission was, however, unanimous in interpreting the word ' default ' in § 17 to have the same meaning as ' voluntary default ' in § 18 of Annex II to Chapter VIII of the Versailles Treaty. Thus the Allied Governments had received formal notification from the Reparation Commission that Germany was in voluntary default before they reassembled on the 2nd January in Paris.[2]

In his opening speech at the Paris Conference M. Poincaré alluded to the notification of a German default in deliveries of timber in connexion with ' the sanctions which, sooner or later, the Allies

[1] On the motion of the Italian delegate, it was also decided that the penalty provided in the Reparation Commission's note of the 21st March, 1922, in case there were to be a shortage of deliveries in kind in the course of that year, should be recalled to the attention of the Allied Governments. On this motion Sir John Bradbury abstained from voting ' not because he disagreed with the proposal, but because he was unwilling to associate himself in any way with the decision just taken '.

[2] It has been suggested (for example in an article in the *British Year Book of International Law* for 1924 and in a discussion of the legal aspect of the Ruhr occupation by a contributor to the London *Economist* of the 20th January, 1923) that unanimity on the Reparation Commission was necessary when finding a default by Germany and that therefore the British Government might have challenged the finding of the timber default (and similarly that of the other defaults which were declared subsequently) on the ground that it was not unanimous. To this, however, the French Government would have had an effective reply ; for surely what the Commission did when it found a default (*manquement*) was not to interpret the Treaty but, acting as a jury, to say that a ' default '—a word which they interpreted unanimously as meaning a ' voluntary default '—had taken place. Their finding was that Germany had taken certain action, or had been guilty of certain omissions, which in their view were defaults. This would not appear to be an interpretation of the Treaty, any more than a jury's verdict of ' guilty ' is an ' interpretation ' of the statute under which the prisoner is indicted.

would be called on to take if Germany violated her engagements, and which were foreseen by several dispositions of the Treaty of Versailles—notably by § 18 of Annex II of Part VIII '—and he pressed for an early declaration of default in regard to deliveries of coal, which ' was connected with the execution of the plan which he proposed to submit to the Conference '.[1] The French proposals were then handed round to the delegates, and, after a short exposition of them by M. Poincaré, which was followed by the circulation of a British plan, the Conference adjourned to study the documents.[2]

The French proposals were drafted as a programme for the Conference under the three heads of (i) Reparation and Inter-Allied Debts ; (ii) the stabilization of the mark and the reorganization of German finances ; (iii) the moratorium and the pledges ' the seizure of which the French Government conceives as indispensable alike to secure the continuation of the payments during the moratorium and in anticipation of an ultimate default by the *Reich* '. In regard to the first head, M. Poincaré rejected outright the suggestion either that Germany's Reparation payments should be fixed within the limit of her possible budgetary surpluses, which were ' fonction de sa politique et de sa bonne volonté ', or that her total liability should be reduced—except on condition that the other Allies modified the percentages of distribution in favour of France and granted priority to the restoration of the devastated areas—while, on the question of Inter-Allied Debts, he held to the position which he had taken up in London. France could make no payments on her debts until she had been reimbursed by Germany for the restoration of the devastated areas, and, since the cost of this would absorb the French share in the ' A ' and ' B ' bonds of the 1921 Schedule of Payments, France could only pay her debt to Great Britain by the transfer of ' C ' bonds to an equivalent amount—as part of a general transaction by which creditor Powers would cancel, for Germany's benefit, the amounts of ' C ' bonds thus transferred to them in settlement of their war loans to other Allies. The reorganization of German finances was

[1] On this occasion Mr. Bonar Law urged that the question should not be raised in the Reparation Commission till after the conclusion of the Conference and prevailed upon M. Poincaré to agree to a delay.

[2] They also had before them a further French memorandum, *Comment l'Allemagne a exécuté les réparations en nature*, which was designed to justify the Reparation Commission's decision of the 26th December, and a memorandum from the Italian Delegation which reproduced, with modifications, the proposals presented to the London Conference by Signor Mussolini (texts in *Cmd.* 1812, pp. 80 *seqq.*).

sketched, with less precision, on the familiar lines, but the powers of the Committee of Guarantees were to be further extended and, in case Germany did not immediately conform to its injunctions,

> this failure would *ipso facto* constitute a voluntary default within the meaning of paragraphs 17 and 18 of Annex II to Part VIII of the Treaty of Versailles, and the whole body of penalties mentioned in Chapter IV below would immediately and automatically come into force.

As to the moratorium, it was to be limited to a maximum of two years, and it was not to apply either to Germany's non-Reparation liabilities towards the Allies (such as the payments for the Armies of Occupation and for the various Inter-Allied Commissions) or to certain Reparation payments both in cash and kind. Moreover, as already explained in London, it was to be conditional upon the seizure of specific pledges, which were set out in detail. In order to ensure deliveries in kind in the form of coal,

> an inter-Allied mission of control, composed of engineers, under a French president, and upon which voting powers would be distributed according to the ratio of the deliveries of coal due to the interested Powers, would be sent to Essen and, with the collaboration of the German Government, invested with the powers necessary to supervise the proceedings of the *Kohlensyndikat* and to secure the strict application of the programmes adopted by the Reparation Commission.

The Allied Governments were to take the right to carry out supplementary fellings in the public forests of the Occupied Territories, and shortages in other deliveries were to be covered by requisitions, either in the territories already occupied under the Versailles Treaty or in the Ruhr. In order to insure concurrently deliveries in kind and payments in cash, a duty, payable in foreign currencies, was to be levied on German exports from both the Rhineland and the Ruhr by an Inter-Allied Committee,[1] and the customs receipts and the proceeds of the coal-tax were likewise to be seized in both areas. An extension of the existing military occupation was to be avoided ' as far as possible ', but it was hinted in several passages that if the other Allies were averse from seeing this step taken by France, their remedy was to join with France in attempting a non-military execution of the French proposals.

> The French Government is persuaded that if its Allies accept this programme and collaborate with it in imposing it upon the German

[1] It was represented as a great concession to the other Allies (only possible on the assumption that they all collaborated in carrying out the French proposals) that this levy should be made without a military occupation and without actually drawing a customs cordon between the Rhineland and the Ruhr on the one side and the rest of Germany on the other.

> Government, its application could meet with no serious difficulty, and that any movement of troops upon unoccupied territories would be rendered superfluous.

In any case, however, the civil authority of the Inter-Allied Rhineland High Commission was to be extended to the Ruhr in order to take the administrative action which the seizure of the pledges would entail; attempts to evade the payment of the levy were to be punishable 'in principle' by military tribunals; and

> should the German Government not lend itself to the execution of the present programme, should it in particular not take all the legislative and administrative measures judged necessary and prescribed either by the Reparation Commission, or the Inter-Allied High Commission, or by the Inter-Allied Mission of Engineers, to allow of the strict execution of the programme, such default would immediately and automatically bring into force the following penalties:
>
> (1) The military occupation of the districts of Essen and Bochum and of the whole part of the Ruhr Basin decided upon by Marshal Foch.
>
> (2) The establishment of a customs barrier on the east of all the occupied territories.

These pledges and sanctions were sufficiently precise, but the memorandum showed a certain vagueness in forecasting their financial results. While they were recommended in conclusion as a means of pressure upon the German industrialists, they were introduced with the expression of the pious belief that 'the realization of the securities mentioned below will not exceed Germany's capacity to pay and is not calculated to hamper the restoration of her finances'; and, under the heading 'utilization of the paper marks produced by the Customs and the Coal Tax', it was admitted that 460,000,000 out of the 1,000,000,000 marks (gold) which was the total estimated annual yield of the pledges would be received in German paper, without any suggestion being made for the conversion of this rapidly depreciating currency into some value transferable beyond the frontiers of Germany.

The British memorandum approached the problem from an entirely different point of view. Its novel and most important feature was the suggestion that a Foreign Finance Council [1] should be set up in Berlin with very wide powers over German finance and that

> if the Reparation Commission were retained at all it should be as a purely judicial body with such changes of constitution as might

[1] The constitution of this Council was elaborated in Annex B of the memorandum.

> appear desirable. The Council was to consist of persons appointed by Great Britain, France, Belgium, and Italy with two other members of American and neutral European nationality respectively, and the German Finance Minister was to be *ex officio* chairman (without a vote except in the case of equality of votes),

though he was to be absent whenever the Council had to exercise the executive powers previously possessed by the Reparation Commission and by the existing Committee of Guarantees. Under this régime there was to be an absolute moratorium [1] for four years,[2] an annuity of two milliard marks (gold) for the next four, one of two and a half milliards for the following two, and thereafter an annuity of three and a half milliards ' or such smaller sum, not less than two and a half milliards, as might be fixed by an impartial tribunal '. The obligations were to take the form of 5 per cent. bonds [3] redeemable at call by the German Government, on which there was to be no sinking fund,

> but redemption, more especially in the earlier years, was to be permitted upon such liberal terms that the saving in annual interest on the bonds redeemed would be sufficient, if German credit were re-established, to cover both interest and sinking fund on German loans raised in the market for redemption purposes.

The offer was to be conditional upon Germany undertaking (i) to stabilize the mark in accordance with the International Experts' majority report of the 7th November, 1922 ; (ii) to accept control by the proposed Foreign Finance Council ; (iii) to submit, in the event of her failing to satisfy the supervising authority that condition (i) was being observed or failing to discharge her obligations as now revised, to any measures which the Allied Powers, upon a report of such failure from the supervising authority, might unanimously decide to be necessary, including forcible seizure of German revenues and assets and military occupation of German territories outside the existing zone of occupation.

[1] Apart from specified deliveries in kind which were to be credited against future payments. Any other deliveries in kind were to be paid for in cash by the recipients.

[2] Subject to discretion granted to the Foreign Finance Council to reduce it to not less than two years.

[3] These bonds were to be divided into two series. The first series was to be for 50 milliard marks (gold). The second series, for 17·31 milliards, was to represent the deferred interest on the first series (the full annuity on which was to be the 2·5 milliards, representing 5 per cent on an issue of 50 milliards) compounded at 5 per cent. to the 1st April, 1933 ; but the issue of the second series might be cancelled in whole or part by an arbitral tribunal, consisting of one representative of the German Government, one of the Reparation Commission, and a third member to be appointed by agreement between the other two or otherwise by the President of the United States.

In regard to Inter-Allied Debts the following proposals were put forward on the understanding that the above Reparation plan was accepted, and all proposals for the taking of pledges ('gages') and application of sanctions (otherwise than as provided for in the above plan) were abandoned:

(1) Gold deposits now held by Great Britain as security for Inter-Allied Debts were to be applied towards the reduction of these debts.

(2) The 1st Series German Bonds to be received by France in respect of the Belgian War Debt, and 1½ milliards of the 1st Series Bonds to be received by Italy in respect of her share of Reparation were to be transferred to Great Britain.

(3) The balance of the net debts owing as between European Allies in respect of advances [1] for the purpose of carrying on the War was to be entirely written off, all counter-claims being abandoned, on condition that the debtors transferred their interests in the 2nd Series (Contingent) Bonds to a pool for distribution to those Powers which were indebted to the United States of America in proportion to their respective American debts.

The governing principles of the plan were explained as being:

(1) To fix a minimum German liability which was within recent estimates of German capacity which had been made by financial experts, and a supplementary liability which was *prima facie* not unduly onerous, but which could be reduced or cancelled by an impartial tribunal if it should prove in the event to be excessive.

(2) To substitute for the present fixed obligations of the European Allies to Great Britain arrangements under which all except a small percentage (which would be accepted in the form of a transfer of German obligations) would be remitted, but under which the contingent German payments in excess of the fixed minimum would be available for discharging European debts to America generally.

(3) To give attractive terms to Germany for the early redemption of the annual payments by anticipation.[2]

The contrast between these two documents was a measure of the gulf which had been steadily growing between the French and British points of view since the accession of M. Poincaré to office at the time of the Cannes Conference in the January of the preceding year; and when the parties reassembled, after studying the texts, on the afternoon of the 3rd January, 1923, it was already realized

[1] The *status quo* would not be interfered with as regards inter-Allied *post-war* indebtedness.

[2] The arguments and proposals presented in this British memorandum were justified to a remarkable extent by the subsequent development of the Reparation Question. In substance and with certain differences of nomenclature, the memorandum foreshadowed the settlement of 1924 (see the *Survey of International Affairs for 1924*).

on both sides that the breach had in fact occurred and that even the appearance of harmony could no longer be kept up. M. Poincaré (speaking for a France which he would not admit to be 'suffering from the two diseases which other nations sometimes attributed to her, and which alienists considered complementary, namely megalomania and persecution mania') rejected the British scheme outright as being irreconcilable with the Versailles Treaty in one feature after another, but especially in the proposal to install a Foreign Finance Committee in place of the Reparation Commission.[1] M. Theunis, who spoke next, associated himself emphatically with M. Poincaré in his general indictment, and added the special complaint that the British scheme threw Belgian Reparation priority overboard and even cancelled three out of five six-months' treasury bills which Belgium, at the instance of Great Britain, had agreed to accept in the previous August, in settlement of Germany's outstanding cash liabilities for 1922. 'He could only say, with a certain feeling of bitterness, that the British Government recompensed very badly the disinterestedness and moderation of the Belgian Government.' Mr. Bonar Law, in replying, attempted to keep the door open by declaring that, however far apart they might be on big principles, the British Government 'never had any intention of looking upon their proposal as in any way final',[2] but he did not seek to minimize the extent of the differences between the two points of view. He reiterated his opinion that German credit could not be restored if the liabilities of Germany were to remain unfixed, or if there was to be foreign interference in the Ruhr, or if payments and deliveries on the scale demanded by M. Poincaré were to be exacted during the period of the moratorium; and he summed up his disagreement with M. Poincaré's policy as follows:

> You can try to get your money, and a small amount it will be in any case. You can try by seizing what you can get your hand on now, but you cannot do the two things. You cannot at the same time seize what you can get and leave German credit a chance of recovery. I am not going to be a prophet at all; that is not my business, and it is not my business either to predict what will be the consequences of either

[1] M. Poincaré's oral arraignment of the British scheme was summarized in a written note (text in *Cmd.* 1812, p. 143). For a further discussion of the question whether the British scheme was contrary to the Treaty, see *Cmd.* 1812, pp. 166–7. M. Poincaré laid himself open to the retort that, in reasonable hands, the Reparation Chapter of the Versailles Treaty might have been administered in such a way as to produce very different results from those which actually occurred.

[2] He bore this out by immediately offering to drop that part of the British plan which affected the Belgian priority.

plan. But I think it is not out of place to say this, that all our information is that Germany is on the point of an industrial collapse anyway, and, indeed, in my opinion, it would be contrary to the whole experience of history, and the view of all economists, if such a terrible inflation as has been going on there is not followed by the biggest crisis that has been seen in almost any country. I am afraid lest that crash should be precipitated.

At the final meeting of the Conference on the 4th January the Italian representative read a statement in which he rallied, though less positively than M. Theunis, to the standpoint of M. Poincaré, and then M. Poincaré brought matters to an issue. No moratorium could be granted without pledges. France could not compromise on this. There was no gap between the Italian and the French proposals. Where an abyss existed was between the Italian and French proposals on the one hand and the British proposals on the other. If the British delegation was prepared to come over to the side of the ditch on which Belgium, France, and Italy stood, then an understanding might be reached that evening. If, however, the British delegation clung to the ideas which had been stated by Mr. Bonar Law on the previous day, if it still considered that the taking of the pledges was a mistake with which it did not wish to be associated, then it appeared to him useless to postpone until the morrow a discussion which would lead them eternally in the same circle without reaching any result. Mr. Bonar Law nevertheless handed round a memorandum replying in detail to M. Poincaré's contention that the British scheme was irreconcilable with the Versailles Treaty, and M. Poincaré rejected this memorandum at sight as uncompromisingly as he had rejected the British scheme itself on the previous day. He then submitted six notes of his own on points that had arisen at the previous meetings, and the Conference adjourned to study these documents for an hour and a quarter.[1] When they reassembled M. Poincaré announced that further study had only confirmed his first impression. They wanted to-day to impose on France less favourable conditions than those of the Treaty of Versailles. They wished to submit her to the law of unanimity. He felt, in the circumstances, that the remarks which he had made at the first reading of the British note were justified, and that the disagreement between the respective points of view of the two Governments was absolutely irremediable. Mr. Bonar Law regretfully agreed that ' the ditch was one which a bridge could

[1] Texts in *Cmd.* 1812, pp. 166 *seqq.*

not span', and the Conference closed with the reading of two statements by the British and French Prime Ministers.

> His Majesty's Government [said Mr. Bonar Law] after giving the most earnest consideration to the French proposals, are definitely of opinion that these proposals, if carried into effect, will not only fail in attaining the desired results, but are likely to have a grave and even disastrous effect upon the economic situation in Europe, and, in these circumstances, they cannot take part in or accept responsibility for them. His Majesty's Government at the same time desire to assure the Government of the Republic that while they regret extremely that there should be an irreconcilable difference of opinion on a subject so serious, the feeling of friendship on the part not only of the British Government, but, as they believe, of the British people, towards the Government and people of France remains unchanged.
>
> The Government of the Republic for their part [said M. Poincaré] have examined very attentively and carefully the British proposals and, the longer they have studied them, the more have they felt obliged to recognize that the proposals would involve, together with a considerable reduction of the debt owing to France, the overthrow of the Treaty of Versailles, and that it is impossible for them to accept such a solution. The Government of the Republic deeply regret their inability to agree with the British Government on those serious questions, but they thank the British Government for their friendly statements and can assure them that, in spite of this difference of opinion, the sentiments of the Government of the Republic and of the French nation towards England remain unchangingly cordial.

Therewith the Conference of Paris broke up,[1] and in place of the projected Conference at Brussels, to which it was to have been preliminary, the third and most disastrous phase of the Reparation Problem began. On the 8th and 9th January, the Reparation Commission, M. Barthou presiding, heard German representatives on the deficits in the German coal deliveries to France during 1922, and declared Germany in default on this second count—again by three votes to one, with the British delegate dissenting.[2] On the 10th January, the French Government informed the German Government that a mission of control would be sent into the Ruhr, and on the same date the American Army of Occupation was recalled from the Rhineland. On the 11th January the French occupation of the Ruhr Basin began. It may be noted that the credits which the Reparation Commission had entered to Germany on account of the 1921 Schedule of Payments and of the costs of the Armies of

[1] On the 7th January, 1923, the French Ambassador in London communicated to the British Government a French counter-reply to the British reply of the 4th January to the French criticisms of the British proposals of the 2nd January, but this had no effect on the course of events (text in *Cmd.* 1812, pp. 196 *seqq.*).

[2] See Reparation Commission *Communiqué* of the 9th January, 1923.

Occupation between the 1st May, 1921 and the 31st December, 1922, amounted to a grand total of 2,749,246,078 marks (gold) and the credits for the year 1922 to a grand total of 1,402,685,936 marks (gold) out of a total obligation of 2,170,000,000 for that year under the partial moratorium of March and May.[1] Whether or not these figures represented an honest attempt on the part of the German Government to meet its Treaty obligations must be left to the judgement of History, which will eventually take account of all the complicated circumstances with less passion and more knowledge than could be expected from the statesmen in whose hands the destinies of Western Europe lay at this critical moment in her history. The shadow cast by the French occupation of the Ruhr over the immediate economic and financial prospects of those regions of the world which had been stricken most severely by the War of 1914 was relieved, however, by one constructive financial transaction on the great scale. On the 8th January, 1923, while M. Barthou was hearing the Germans regarding deliveries of coal, the British and American Governments were opening negotiations at Washington for the funding of the British debt to the United States. On the 31st January Great Britain accepted the American proposals; on the 28th February President Harding approved the Debt Funding Bill; and on the 15th March a first payment of $4,128,685·74 was made in gold by the British Government.[2] Following as it did upon

[1] See Reparation Commission, *Statement of Germany's Obligations at December 31, 1922*, Tables IV and VIII.

[2] The definitive terms of agreement were embodied in a British proposal dated the 18th June, 1923 (text in British White Paper, *Arrangements for the Funding of the British Debt to the United States of America. Cmd.* 1912 of 1923), which was formally accepted by the United States Government on the 19th June, 1923. The 'total indebtedness to be funded into bonds of Great Britain' was reckoned at $4,600,000,000; and the bonds were to be dated the 15th December, 1922, and to mature on the 15th December, 1984, bearing interest half-yearly at the rate of 3 per cent. per annum until the 15th December, 1932, and thereafter at 3½ per cent. Up to the 15th December, 1927, half the interest accruing was to be payable, at British option, in interest-bearing British bonds maturing (like the original capital) on the 15th December, 1984. The amounts of principal to be repayed in each year from 1923 to 1984 inclusive were set out in a schedule, but option was granted to Great Britain to defer for not more than two years any one of these payments, provided that not more than two instalments were in arrears at the same time and the second of the two not more than one year in arrears. The United States might call for marketable bonds, carrying the same conditions, in exchange for any or all of the original bonds tenable by the United States Government only. A concession which proved of value to the British Treasury was the option to make payments, either of principal or of interest, not only in United States gold coin or in bullion but in any bonds of the United States, issued or to be issued after the 6th April, 1917, *to be taken at par* and accrued interest to the date of payment.

the substantial settlement of the Irish question by the Treaty of the 6th December, 1921, and upon the successful results of the Washington Conference of the 12th November, 1921—6th February, 1922,[1] this agreement over the outstanding question of the war debt confirmed the new spirit of cordiality which had been happily pervading Anglo-American relations, and the British statesmen who had been rebuffed in Paris might comfort themselves with the reflection that they had called a new Entente into existence to redress the overbalancing of the old.

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[1] See VI (iv) below.

PART III

EASTERN EUROPE

Introduction

In the preceding transitional volume, a brief preliminary survey has already been given of the thirteen states of intermediate or minor calibre,[1] with an aggregate population of 104,000,000, which had come to occupy the eastern part of continental Europe, between Germany and Italy on the one side and Soviet Russia on the other, as a result of the War of 1914. The fact that something like 80,000,000 out of these 104,000,000 people had been detached, at almost the same moment, from the three great empires which had formerly filled the East European landscape, and that one of these empires had ceased to exist, while the other two had been mutilated and inwardly transformed, gives some measure of the revolution which had taken place in this region between August, 1914, and January, 1920. The foundations of the old political and economic order had been broken up, and it was not yet possible to predict where, when, and how the new foundations of international intercourse in Eastern Europe would be laid. At almost every point the new map had been brought into existence by a sudden, violent explosion of long-pent-up forces ; the material and psychological devastation had been extreme ; and for the time being the environment seemed to offer less prospect here for constructive statesmanship than in any other part of the world which had been affected by the War. In view of this, the failures of East European statesmen during the next four years should not be judged too hardly, while their successes—and there are brilliant successes to record—deserve generous recognition from spectators in Great Britain or overseas.

> Suave, mari magno turbantibus aequora ventis,
> E terrâ magnum alterius spectare laborem,

but the privilege carries its obligations.

[1] Finland, Esthonia, Latvia, Lithuania, Poland, Czechoslovakia, Austria, Hungary, Rumania, Jugoslavia, Bulgaria, Greece, Albania.

In January, 1920, the waves of political passion in Eastern Europe were still running high, but some precious oil had already been poured upon the troubled waters. The Treaties for the Protection of Minorities, which have also been mentioned in the preceding volume, had been devised during the Peace Conference of Paris in order to mitigate the special difficulties and dangers of the East European situation. The principles embodied in them were eventually accepted in most countries of Eastern Europe and in very few countries outside the bounds of that region.[1] The application and extension of these Treaties was thus a characteristic feature of international affairs in Eastern Europe as a whole during the period under review, and it was also the first step towards a general improvement of conditions in that region. It is therefore dealt with in section (i) of this Part.

At the same time the protection of minorities, while it tended (so far as it became effective) to remove one obstacle to the reorganization of international relations in Eastern Europe, did not in itself offer any positive system or systems to replace the relationships which had existed before 1914 ; and, in the chaos of January, 1920, any grouping seemed possible at first sight, however much it might depart from the traditions of the preceding century. For example, the Hapsburg, Hohenzollern, and Romanov Empires had been continental Powers, and in 1914 the four inland seas which bounded Eastern Europe on certain flanks had all formed barriers and not links between the countries surrounding them. The Adriatic had separated Austria-Hungary from Italy, the Baltic Germany and Russia from Scandinavia, the Black Sea Russia from Turkey, and the Aegean Turkey from Greece. In the year 1700, on the other hand, each of these seas had been the centre of a political system —the Adriatic of a Venetian Empire, the Black Sea and the Aegean of an Ottoman Empire, and the Baltic of a Swedish Empire—the East European littoral of each inland sea being united politically with the countries opposite and being cut off from the main mass of the East European hinterland. In 1914 the political map of 1700 had seemed entirely obsolete, but in 1920 there was a visible tendency in each case for the earlier situation to recur. Italy, in the role of heir to Venice, was attempting to make the Adriatic 'her sea' by acquiring not only Trieste but Fiume, Northern

[1] The chief exception was the provision for the protection of minorities in Turkey which was made in the Treaty of Lausanne (see *H. P. C.*, vol. vi, p. 114).

Dalmatia, Avlona, and a protectorate over Albania ; Soviet Russia was attempting to draw Turkey into her orbit, and to enlist her support for securing the régime which the Government of Moscow desired to see established in the Black Sea Straits ; Greece was attempting to establish a foothold across the Aegean on the Anatolian mainland ; and the Scandinavian countries were being drawn into relationships, friendly and hostile, with some of the new states which had arisen on the eastern shores of the Baltic. In each case there was the tendency for a land-locked sea to become, as it had been in the past, the centre of a political system, but in each case that tendency was overcome by stronger forces during the four years under review. The vicissitudes of the Italian policy in the Adriatic down to the signature of the Treaty of Rapallo on the 12th November, 1920, have been recorded in the *History of the Peace Conference of Paris* ;[1] and the last chapter of the controversy over Fiume, which ended in the official incorporation of the Free City in Italy on the 16th March, 1924, will be given in the *Survey of International Affairs for 1924*. The policy of Soviet Russia in the Black Sea down to the 1st February, 1923, when the Russian and the Turkish delegation at the Lausanne Conference parted company over the question of the Straits, is discussed in another Part of the present volume.[2] The failure of the Greek enterprise in Anatolia is recorded elsewhere.[3] The policy of the Scandinavian states in the Baltic is discussed in this Part below.[4]

Thus Eastern Europe did not, after all, regroup itself round the neighbouring maritime basins. The solid continental mass remained ; and, within this mass, the most conspicuous line of division at the opening of the new era was not regional but political. The states which were satiated and contented and those which were penalized and discontented as a result of the recent peace settlements had been left face to face with one another, and the new political forces released by the great upheaval tended to group themselves at first in a series of vortices—rings or chains of territorially ' saturated ' states counteracting the outward thrust of defeated and penalized states with residual irredentist ambitions. The strength of each ring was naturally in inverse ratio to the strength of the irredentist movement in the country encircled. Austria, for example, stimulated no counter-movement whatever among the surrounding states, whereas Hungary, where the menace of a Hapsburg restoration was

[1] Vol. iv, Ch. V, Part 1 ; and vol. v, Appendix III (iii).
[2] IV (iii). [3] *H. P. C.*, vol. vi, Ch. I, Part 2. [4] III (ii) 2 (*a*).

acute until the end of the year 1921, evoked the 'Little Entente' between Czechoslovakia, Jugoslavia, and Rumania, which was the first definite system of alliances to emerge out of the East European chaos during the four years under review.[1]

It is noteworthy that the fear of Germany, which at this time pervaded the mind of France and therefore dominated the course of international affairs in Western Europe, was not so potent a force in other parts of the continent. For example, it did not govern the policy of either Denmark or Czechoslovakia, although Denmark had acquired territory at Germany's expense in the peace settlement,[2] while Czechoslovakia contained a German minority of three and a half million people, who were by no means content with the substitution of the new régime for that of the old Austrian Empire.[3] Even between Germany and Poland relations were not as bad as might have been expected, considering the antiquity and the bitterness of the feud between the two nations and the extent and importance of the territories which Poland had just acquired from Prussia. Under the auspices of the League of Nations, the two incidents which arose during this period over the position of German minorities in Poland were prevented from causing serious mischief,[4] and the Polish-German negotiations arising out of the partition of Upper Silesia were carried peaceably to a conclusion.[5] It was perhaps owing to this that the Franco-Polish Treaty signed in Paris on the 19th February, 1921,[6] did not dominate the situation in Eastern Europe during the following years. Bulgaria again, whose outward thrust had drawn Jugoslavia, Rumania, and Greece together in 1913, only produced slight and intermittent co-operation between the same three states during the years 1920 to 1923. In the formation of the 'Little Entente' the fear of Bulgaria was a secondary motive compared to the fear of Hungary. Nor was the general evolution of international relations in Eastern Europe deeply affected by the local conflicts between Germany and Lithuania over Memel,[7] Lithuania and Poland over Vilna,[8] Poland and Czechoslovakia over the Javoržina District,[9] Austria and Hungary over the Burgenland,[10] or Albania and her two continental neighbours over the delimitation of the Albanian frontiers.[11] The

[1] See III (iii) 2 below.
[2] For the Schleswig Plebiscite see *H. P. C.*, vol. ii, Ch. IV, Part 1.
[3] See III (i) below.
[4] See III (i) below.
[5] See III (ii) 3 (*e*) below.
[6] See III (ii) 3 (*f*) below.
[7] See III (ii) 3 (*c*) below.
[8] See III (ii) 3 (*b*) below.
[9] See *Survey of International Affairs for 1924*.
[10] See III (iii) 3 below.
[11] See III (iii) 10 below.

only other negative force which was comparable to the fear of 'White' Hungary as a focus of international relationships in Eastern Europe was the fear of 'Red' Russia.

Were these two *foci* sufficiently powerful to attract all the states of Eastern Europe into a single balance of power, with the discontented and revengeful parties ranged on one side and the satiated and nervous parties on the other? An apparently promising foundation for an 'alliance of all the vanquished' was laid on the 16th April, 1922, by the signature of a Russo-German treaty at Rapallo;[1] but, for the time being at any rate, this menacing gesture was followed by no startling practical results, and indeed the two parties were so deeply divided from one another in their internal politics that effective co-operation between them would have been difficult if not impossible. The German people had decisively rejected communism and elected for the 'bourgeois' system of parliamentary government before the close of the year 1919,[2] and even the economic stress produced by the French invasion of the Ruhr in 1923 did not enable the German Communists to gain the upper hand. Moreover, if the *Reich* as a whole had been 'made safe for democracy', Bavaria had moved almost as far to the right as Hungary; and Hungary and Russia, who in their foreign relations were the two centres of opposition to the new territorial settlement in Eastern Europe, were at the same time at opposite poles from one another in their internal régimes.

Thus an 'alliance of all the vanquished' was not an imminent danger, and this fact removed the chief stimulus to the formation of a 'counter-alliance of all the victors', for the general situation throughout Eastern Europe was still so uncertain that every Government was concerned to limit its liabilities and to contract no more engagements with other Governments than were necessary as an insurance against immediate dangers. The steadfastness with which President Masaryk and M. Beneš adhered to a limited though constructive aim was one secret of their success in directing the foreign policy of Czechoslovakia.[3] There was, however, one East European country whose interests would have been served by an alliance of the widest extension, and that was Rumania; for Rumania was in the uncomfortable position of being involved

[1] See I (ii) above.

[2] See the preceding volume.

[3] It would be impossible for any one except these two statesmen themselves to estimate the respective parts which each played in their joint activities. No doubt each of them, if interrogated, would have attributed less than was due to himself and more to the other.

simultaneously in the three vortices which circled round Hungary, Bulgaria, and the western border of Russia. She held a Bulgarian *terra irredenta* in the Dobruja, a Hungarian in Transylvania, and a Russian in Bessarabia, and if the Bulgarian thrust in this direction had become very weak, Hungary had not weakened at all in her determination to recover her pre-war frontiers, while the Bessarabian question was raised in a menacing form by Russia. Rumania therefore desired some comprehensive system of alliances which would insure her against all these dangers at once, and this policy was indicated by M. Take Ionescu in a memorandum drawn up jointly with M. Beneš at Bucarest on the 19th August, 1920,[1] on the occasion of M. Beneš's visit to Rumania with a view to extending to that country the *entente* already concluded between Czechoslovakia and Jugoslavia.[2] It was here recorded that 'the object of Rumanian policy was to arrive at a defensive alliance between the five states[3] which had emerged from the common victory'; and in June, 1921, after the signature of the Rumanian-Jugoslav Agreement, M. Ionescu expressed himself in the same sense with greater emphasis:

> My personal desire would be to arrive at a formula which would also include the indirect and general interests of the victorious peoples. The Little Entente would then become the alliance of all the victors in Central and Eastern Europe with the object of upholding all the treaties against any attack. I hope that our present tendencies will evolve in this direction.

This policy, though ambitious, was probably well-judged from the Rumanian point of view, but it broke down over two stumbling-blocks, one of a political and the other of a juridical character.

The political obstacle was the community of sentiment and interest which bound certain of the lesser Slavonic peoples in Eastern Europe to one another and to Russia in all circumstances. It was true that Jugoslavia had a common interest with Rumania in respect of Bulgaria as well as Hungary; but on the other hand Czechoslovakia had no quarrel with Bulgaria, while both Jugoslavia and Czechoslovakia were determined to enter into no grouping which would involve them in an anti-Russian orientation, irrespective

[1] Text in *Documents diplomatiques relatifs aux Conventions d'Alliance conclues par la République Tchécoslovaque avec le Royaume des Serbes, Croates et Slovènes et le Royaume de Roumanie, décembre 1919–août 1921* (published by the Czechoslovak Government), Doc. 27.

[2] See III (iii) 2 below.

[3] i. e. Greece and Poland as well as Rumania, Czechoslovakia, and Jugoslavia.

of the question whether the Russian Government of the moment were 'Red', 'White', or 'Green'.[1] They both believed firmly in the ultimate recovery of Russia as a Great Power, and hoped for the eventual support of the largest of the Slavonic nations (with whom they had no territorial or other conflicts of interest) against a possible resumption of the *Drang nach Osten* on the part of Germany. Apart from this, Poland until the signature of the Treaty of Riga (18th March, 1921) and Greece until that of the Treaty of Lausanne (24th July, 1923) were both risky partners, since each of them was engaged in a serious war with a neighbouring country of potentially greater resources, of which the outcome could not be foreseen.[2] Moreover, Poland and Czechoslovakia still had private quarrels of their own;[3] and, even when the most acute differences between them had been composed and the position of Poland had been to some extent stabilized by the conclusion of peace with Russia, the fact remained that the territorial terms of the Russo-Polish peace settlement were such as the Russian people could not be expected to submit to permanently.[4] The extent to which this fact limited the possible scope of Czechoslovak-Polish co-operation was indicated in the following terms by the Czechoslovak official organ *Chass* [5] on the 24th July, 1921, in discussing the relations between Poland and Czechoslovakia after the settlement of the Teschen question and on the eve of the negotiations which resulted in the Czecho-Polish Convention of the 6th November, 1921:

> The interests of the two countries to-day are the same as they were in the past, above all now that the question of Teschen has been settled. The other problems which might arise and give occasion for misunderstandings between Poland and Czechoslovakia—that is, the question of the frontiers fixed by the Treaty of Riga and the fate of East Galicia—cannot, in spite of the [actual] divergence of outlook, prevent the re-establishment of neighbourly relations between the two countries. Poland must understand that it is impossible for Czechoslovakia to take sides with either party in a conflict which sets at variance two nations with whom she desires to live at peace.

Similar considerations restrained both Czechoslovakia and Jugoslavia from committing themselves to Rumania in her controversy

[1] M. Beneš twice emphasized this point in his speech of the 1st September, 1920, before the Czechoslovak Permanent Parliamentary Commission (text in *L'Europe Nouvelle*, 19th September, 1920).

[2] For the Russo-Polish War see *H. P. C.*, vol. vi, pp. 318–22; for the Graeco-Turkish War, Ch. I, Part 2 of the same volume.

[3] e.g., over the Javoržina District. See *Survey of International Affairs for 1924*.

[4] On this see *H. P. C.*, vol. vi, pp. 274–8.

[5] Quoted by A. Mousset, *La Petite Entente*, pp. 40–1.

with Russia over Bessarabia, even after they had entered into the closest co-operation with her in other quarters ; and the successful resistance of the Czechoslovak Government to the Ionescu policy was emphasized, in retrospect, by M. Beneš in an *exposé*[1] delivered on the 6th February, 1924, before the Foreign Affairs Committee of the Czechoslovak Parliament :

> Above all, it is essential that the different states interested—Czechoslovakia and Poland, Jugoslavia and Poland, &c.—should come to an agreement as to their respective interests. Then only will they be able to determine their relations on questions in which they have a common interest. But if you consider the general line followed hitherto by Poland and also by the members of the Little Entente, there has never been any question of the creation of a great territorial combination or of an Allied *bloc*, but only of a lasting *entente* founded on real interests and restricted to concrete aims.

The juridical obstacle to the realization of M. Ionescu's programme was also serious, for the various parts of the new map of Eastern Europe rested on two separate bases of unequal strength. On the one hand, there were the four general Peace Treaties of Versailles, St. Germain, Trianon, and Neuilly between the Allied Powers and their European opponents ; and on the other there were the series of separate arrangements negotiated with Russia by the border states along her western frontier, from the Arctic Ocean to the Black Sea, on their own responsibility. That part of the East European settlement which was embodied in the four Treaties signed in France was fortified, first by the preponderance of the local beneficiaries (Poland, Czechoslovakia, Rumania, Jugoslavia, Greece) over the local sufferers (Austria, Hungary, Bulgaria) in territory, population, and military strength, and secondly by the fact that the maintenance of these Treaties as a whole was an interest of the three Principal European Allied Powers. The Treaty of Versailles, for example, which in Eastern Europe had so greatly profited Poland at the expense of Germany, was also the instrument which embodied all the territorial gains of France and the British Empire and nearly all the claims of all the Allies to Reparation. Again, the Treaties of St. Germain and Trianon transferred territory from Austria and Hungary for the benefit of Italy as well as Jugoslavia, Rumania, Czechoslovakia, and Poland ; the Principal

[1] French text published as a White Paper (unnumbered) by the Czechoslovak Government ; English translation in the *Central European Observer* of Prague, 9th February, 1924. The passages quoted from the speech in this Part have not been taken from the above translation but have been translated independently.

Allied Powers, as well as Jugoslavia, Rumania, and Greece, were interested in the Reparation clauses of the Treaty of Neuilly; and, most important of all, the four Treaties stood upon the same footing in principle, so that the invalidation of any one of them would impugn the validity of the rest. Along the Russian border, on the other hand, the states which had gained independence or accessions of territory at Russia's expense were only temporarily stronger (even collectively) than Russia owing to the abnormal effects of the War and the Bolshevik Revolution, and they could not look confidently for support to the Western Powers if Russia, at some future date, were to reopen the old issues between her and them. In fact, while the settlement embodied in the Peace Treaties with Germany, Austria, Hungary, and Bulgaria was comparatively secure, the position along the new western frontier of Russia was precarious,[1] and of this difference all parties were aware.

Thus the policy of M. Beneš prevailed over the policy of M. Ionescu, and during the years 1920 to 1923 the chaos in Eastern Europe began to resolve itself not into one political system but into two. Czechoslovakia became the nucleus of the 'Little Entente', which grew to be the dominant factor in the international relations of the Danube Basin and the Balkan Peninsula; while Poland became the nucleus of a much looser combination between the East European states along the western border of Soviet Russia. Rumania alone was intimately involved in both systems. As for Poland, her association with the Little Entente never became very close during the period under review, while Czechoslovakia and Jugoslavia steadily refused to associate themselves with any system directed against Russia. The complicated network of East European relationships can thus be disentangled most easily (though not without some snapping of threads) into two coils—one wound round the western border of Russia and the other round the Danube Basin and the Balkan Peninsula. They are dealt with, under these heads and in this order, in Sections (ii) and (iii) of the present Part.

[1] Though not nearly so precarious as that in Transcaucasia, where the new national states which had emerged after the collapse of the Russian and Ottoman Empires in 1918 were rapidly submerged again by the two temporarily defeated Powers. (See IV (iii) below.)

(i) The Application and Extension of the Treaties providing for the Protection of Minorities, 1920–3

The genesis and purport of the Minorities Treaties which were negotiated, after the War of 1914, between the Principal Allied Powers and certain newly created or enlarged states of minor and intermediate calibre in Eastern Europe, have been admirably recorded in the *History of the Peace Conference*,[1] and have been touched upon again more briefly in the transitional volume. A fundamental feature of these treaties, which distinguished them from previous instruments negotiated for the same purpose, was that they were to be placed under the guarantee of the League of Nations; and this guarantee was formally undertaken by the League in the case of seven treaties out of ten.[2] In addition to this, the League took the initiative in inducing various states, subsequently admitted to its Membership, to assume obligations in regard to minorities of substantially the same kind as those which the Minorities Treaties had imposed upon the several East European Governments which had signed them. It may be convenient to give, first, a schedule of the instruments which the League was asked originally to guarantee and then some account of the further treaties or declarations of the same nature which were made during these four years—for the most part under the auspices of the League itself—before dealing with the procedure adopted by the League and the particular cases which presented themselves for settlement during this period.

1 The Treaties and Declarations

The following quotation is taken from a summary published in 1923 by the League Secretariat : [3]

> The treaties containing provisions concerning minorities are as follows :
>
> 1. The Treaty of June 28, 1919, between the Principal Allied and Associated Powers and Poland, placed under the guarantee of the League of Nations, February 13, 1920.

[1] Vol. v, Ch. II, and Appendix IV.

[2] The three remaining treaties (with Greece, Armenia, and Turkey) had none of them come into force before the end of the year 1923.

[3] *The League of Nations and Minorities*, published by the Information Section of the League of Nations Secretariat.

2. The Treaty of September 10, 1919, between the Principal Allied and Associated Powers and Czechoslovakia, placed under the guarantee of the League of Nations, November 29, 1920.

3. The Treaty of September 10, 1919, between the Principal Allied and Associated Powers and the Kingdom of the Serbs, Croats and Slovenes, placed under the guarantee of the League of Nations, November 29, 1920.

4. The Treaty of December 9, 1919, between the Principal Allied and Associated Powers and Roumania, placed under the guarantee of the League of Nations, August 30, 1921.

5. The Treaty of August 10, 1920, between the Principal Allied Powers and Greece.[1]

6. The Treaty of August 10, 1920, between the Principal Allied Powers and Armenia.[2]

7. Articles 64 to 69 of the Treaty of Peace with Austria (signed at St. Germain-en-Laye on September 20, 1919), placed under the guarantee of the League of Nations, October 22, 1920.

8. Articles 49 to 57 of the Treaty of Peace with Bulgaria (signed at Neuilly-sur-Seine, November 27, 1919), placed under the guarantee of the League of Nations, October 22, 1920.

9. Articles 54 to 60 of the Treaty of Peace with Hungary (signed at Trianon on June 4, 1920), placed under the guarantee of the League of Nations, August 30, 1921.

[10. Articles 37 to 45 of the Treaty of Peace with Turkey (signed at Lausanne, July 24, 1923).]

The principles embodied in the nine original Treaties were subsequently confirmed or applied in the following cases :

1. *Czechoslovakia* and *Austria* concluded a treaty at Brünn on the 7th June, 1920, and a supplementary agreement at Carlsbad on the 23rd August, 1920, in pursuance of the Minorities Treaties which each party had signed, in so far as these affected the position of Czech minorities in Austria and of German-Austrian minorities in Czechoslovakia. These treaties provided that disputes between the two countries in regard to the treatment of minorities were to be settled by arbitration.

2. *Poland* and *Danzig* signed a convention on the 9th November, 1920, under which the Free City of Danzig undertook (Art. 33) to apply to minorities a treatment similar to that applied by Poland

[1] This treaty, which formed an annex to the Treaty of Sèvres, was not ratified, but on the 24th July, 1923, the Principal Allied Powers and Greece signed at Lausanne a protocol (No. XVI, attached to the Treaty of Lausanne) providing that it should come into operation, with the exception of certain clauses rendered null and void by the terms of the Peace Treaty with Turkey, at the same time as the instruments signed at Lausanne. The treaty accordingly came into force on the 6th August, 1924, the date of ratification of the Treaty of Lausanne.

[2] The Armenian Government which signed this Treaty ceased to exist on the 2nd December, 1920, when Erivan became a Soviet Republic.

in virtue of the Polish Minorities Treaty of the 28th June, 1919. In a supplementary convention of the 24th October, 1921, this agreement was applied in detail to the status of the Polish language (Arts. 225 and 226) and to the maintenance of Polish minority schools (Art. 227 and annex) in the territory of Danzig.

3. In the case of *the Aaland Islands* [1] a resolution was passed on the 27th June, 1921, by the Council of the League of Nations, incorporating a pledge, on the part of Finland, to insert a number of fresh specific guarantees in the existing Finnish law of the 7th May, 1920, for the autonomy of the Islands. The local use of the Swedish language in education, the retention of real estate in local hands, the local expenditure of local revenues, and the reality of local self-government were carefully safeguarded, and the Council took these provisions under its guarantee—Finland binding herself to transmit to the Council any complaints or claims of the Aaland *Landsting* in regard to their application.

4. *Finland* submitted to the Council a detailed memorandum regarding the rights guaranteed to minorities in general, throughout Finland, under the Finnish Constitution, and the Council took note of this communication on the 2nd October, 1921.

5. At the same meeting of the Council, on the 2nd October, 1921, the representative of *Albania* signed a declaration embodying the substance of the Minorities Treaties. This declaration was ratified by Albania on the 17th February, 1922, and placed under the guarantee of the League of Nations.

6. On the 12th May, 1922, the representative of *Lithuania* signed, in the presence of the Council, a declaration similar to the Albanian.

7. In its award of the 20th October, 1921, regarding *Upper Silesia*, the Council of the League had expressed the opinion that (*a*) the Polish Minorities Treaty of the 28th June, 1919, was applicable to the portion of Upper Silesia which was to pass under Polish sovereignty ; (*b*) that Germany ought to undertake similar obligations, at any rate for a period of fifteen years, in respect of the German portion of Upper Silesia ; and (*c*) that these obligations, which should be embodied in a convention between Poland and Germany, ought to be placed under the guarantee of the League on the same terms as the Treaty of the 28th June, 1919. The German-Polish Convention of the 15th May, 1922, which was the

[1] See III (ii) 2 (*c*) below.

outcome of the League's award,[1] embodied these general recommendations in a series of provisions (Part III, Arts. 64–158) of a more elaborate kind than any previous charters for the protection of minorities. In particular, the convention established, in each section of the ex-plebiscite area, a Minorities Office which was to forward petitions in the first instance to the Polish-German Mixed Commission and in the second instance to the Council of the League.

8. At a meeting of the Council on the 7th July, 1923, the *Latvian* delegation made a declaration containing proposals which were accepted by the Council and which the Latvian Government subsequently approved on the 28th July, 1923; but both parties reserved the right to reopen the question. Incidentally Latvia stipulated that the procedure already established by the Council in the case of countries which had signed Minorities Treaties should be adopted in regard to any petitions which might be addressed to the League in the case of minorities in Latvia.

9. On the 17th September, 1923, the Council accepted proposals contained in a similar declaration made by the representative of *Esthonia*. While declaring that the existing provisions for the protection of minorities in the Esthonian Constitution, as communicated to the Council by the representative of Esthonia in a report dated the 28th August, 1923, were satisfactory, the Council reserved to itself, and Esthonia acknowledged, a right to take cognizance at any future date of the treatment of minorities in Esthonia—the procedure laid down corresponding to that agreed upon in the case of Latvia.

These nine additional charters for the protection of different minorities came into existence under a variety of conditions. The Austrian-Czechoslovak agreements were negotiated directly by the two parties on their own initiative, and the Polish-Danzig agreements partly directly and partly under the auspices of the Principal Allied Powers, without the intervention of the League. In the seven other agreements or declarations the League took the initiative and played a leading part. During the First Assembly the question of minorities was raised in the Fifth Committee, which had been instructed to study the question of the admission of new states into the League of Nations. A sub-committee, composed of Lord Robert Cecil (South Africa), M. Motta (Switzerland), and M. Beneš (Czechoslovakia), was formed to examine the question. On the proposal

[1] For the history of the negotiations see III (ii) 3 (*e*) below.

of this sub-committee, the Assembly adopted the following resolution on the 15th December, 1920 :

> In the event of Albania, the Baltic and the Caucasian States being admitted into the League, the Assembly requests that they should take the necessary measures to enforce the principles of the minorities treaties, and that they should arrange with the Council the details required to carry this object into effect.

In five of the seven cases which arose, little opposition was encountered from the Governments which were to undertake the obligations, but Latvia and Esthonia offered a resistance to the League's proposals. During the Second Assembly, before the admission of Esthonia, Latvia, and Lithuania to the League, the representatives of these states signed a declaration by which the Esthonian, Latvian, and Lithuanian Governments accepted the Assembly's resolution of the 15th December, 1920, and stated their readiness to enter into negotiations with the Council for the purpose of determining the scope and details of the application of their international obligations for the protection of minorities. The Council, during its session in January, 1922, requested the representative of Brazil to enter into negotiations with the representatives of these states ; but while Lithuania showed herself amenable, the negotiations with the other two parties not only raised the question of procedure but gave rise to a debate on the fundamental issues of the minorities problem in the Sixth Committee of the Third Assembly.

2 The Procedure of the League

The first step taken by the Council was to ask Signor Tittoni (Italy) for a report on its rights and obligations under the Minorities Treaties, and his conclusions were approved by the Council on the 22nd October, 1920. The Tittoni Report defined the League's guarantee as meaning, first, that the Treaty provisions regarding minorities were inviolable and, secondly, that the League must ascertain that these provisions were always observed. It drew attention to the fact that the initiative in taking official action was reserved, by the Treaties, to the Council of the League, but pointed out at the same time that any minority or any Member State not represented on the Council was at liberty to address to the Council petitions or communications on questions arising under the Minorities Treaties. The report went on to lay down a procedure for dealing with petitions and this procedure

was gradually elaborated and modified by successive resolutions of the Council and the Assembly [1] until, at the close of the year 1923, it stood as follows : [2]

> When the Secretariat of the League receives a petition concerning a minority question, the petition is examined by the Secretariat in order to ascertain whether it fulfils the five conditions necessary to make it admissible. If it does, the petition is communicated to the state concerned. If this state for any reasons raises objections to the admissibility of the petition, the Secretary-General submits the question to the President of the Council, who may invite two other members of the Council to assist him. If the state concerned so requests, this question of procedure may be put on the agenda of the Council. If the petition is declared admissible, the state concerned must announce within three weeks of being informed of this fact whether it wishes to make any remarks or not. If it does, it must present its remarks within two months. This period of time may be prolonged on the authority of the President of the Council if the state concerned so requests and if the circumstances appear to make this necessary. The petition, together with the remarks of the Government concerned, is then communicated to the members of the Council for purposes of information. Any state member of the League, may, by request, obtain copies of these documents. The President of the Council asks two other members of the Council to examine the documents with him. If one of these three members or any other member of the Council considers it necessary, the question may be brought before the Council. The latter, once it has been made cognisant of the matter, may proceed in any manner and give any instructions that appear to it appropriate and effective in the circumstances. In case of a difference of opinion as to questions of law or fact between the state concerned and any state member of the Council, this difference will be considered as of international concern according to the terms of Article 14 of the Covenant, and the question may be referred to the Permanent Court of International Justice, whose decision will be final.

In the Sixth Committee of the Third Assembly, the question of minorities was raised by Professor Gilbert Murray (South Africa) in a motion of the 6th September, 1922, and by Dr. Walters (Latvia) in an amendment of the 7th September. The delegate for Latvia proposed (without success) that obligations for the protection of minorities should not be confined to certain states but should be undertaken, on a common basis, by all States Members of the

[1] Council Resolution of the 25th October, 1920 ; Amendment of the 27th June, 1921 (on the suggestion of Poland and Czechoslovakia) to the Resolution of the 25th October, 1920 ; Resolution of the 5th September, 1923 (on the Report of the Brazilian representative in regard to views submitted by Poland and Czechoslovakia) ; Assembly Resolutions of the 21st September, 1922 (on the initiative of the South African and the Latvian delegate) ; Assembly Resolution of the 26th September, 1923.

[2] Quoted from *The League of Nations and Minorities*, p. 29.

League. The policy of the delegate for South Africa was presented on the 11th September in the following five proposals :

1. While in cases of grave infraction of the Minorities Treaties it is necessary that the Council retain its full power of direct action, the Committee recognizes that in ordinary circumstances the League can best promote good relations between the various signatory Governments and the minorities under their sovereignty by benevolent and informal communications with the said Governments. For this purpose the Committee suggests that the Council might reasonably require to have a larger staff at its disposal.

2. In case of disputes as to the interpretation of the Treaties or of their application in particular cases or as to any matter of fact on which such application depends, the Committee recommends that recourse should be had without delay to the decision of the Permanent Court.

3. In some localities of mixed population, the Committee believes that the protection of minorities cannot be securely attained except by the appointment of resident agents of the League to report impartially on the behaviour of both, or all, sections of the population.

4. While the Committee recognizes the primary right of the minorities to be protected by the League from oppression, it also emphasizes the duty incumbent on the minorities to co-operate as loyal fellow citizens with the nation to which they now belong.

5. The Committee expresses the hope that those states which are not bound by any legal obligation to the League with respect to minorities will nevertheless observe in the treatment of their own minorities at least as high a standard of justice and toleration as is required by any of the Treaties.

In the debate, which lasted over six meetings of the Committee, the discussion centred round proposals 2 and 3, which were referred on the 13th September to a sub-committee, while proposals 1, 4, and 5 were adopted with slight amendments. Eventually, an amended version of proposal 2 was agreed upon ; proposal 3 was withdrawn by Professor Murray on condition that a note of his views on the point was inserted in the minutes of the Committee ; a further proposal was added at the suggestion of Dr. Beneš (Czechoslovakia) ; and two other motions, brought forward by the delegates of Esthonia and Finland respectively, for instituting a general inquiry into the protection of minorities in all States Members of the League, were withdrawn—nominally on grounds of expense. The Committee was thus able to present a series of unanimous resolutions to the Assembly, which approved them in a plenary sitting on the 21st September. The texts of the second resolution, as amended, and of Dr. Beneš's additional resolution, were as follows :

2. In case of difference of opinion as to questions of law or fact arising out of the provisions of the Minorities Treaties between the

Government concerned and one of the States Members of the Council of the League of Nations, the Assembly recommends that the Members of the Council appeal without unnecessary delay to the Permanent Court of International Justice for a decision in accordance with the Minorities Treaties, it being understood that the other methods of conciliation provided for by the Covenant may always be employed.

5.[1] The Secretariat, which has the duty of collecting information concerning the manner in which the Minorities Treaties are carried out, should not only assist the Council in the study of complaints concerning infractions of these Treaties, but should also assist the Council in ascertaining in what manner the persons belonging to racial, linguistic or religious minorities fulfil their duties towards their states. The information thus collected might be placed at the disposal of the States Members of the League of Nations if they so desire.

3 Particular Cases Arising

During the four years 1920–3, while the above-mentioned Treaties and Declarations were being brought into force and the procedure of the League was being established, a large number of minorities, within the new frontiers of the East European States, were undergoing various experiences. Of some minorities nothing was heard by the world at large, either because they had no serious complaints to make, or because, at the opposite end of the scale, they lacked the opportunity or the temerity to make them. In the mountains of Macedonia a continuous guerrilla warfare was being waged between the Bulgarian population and the Jugoslav Government, while in civilized and industrialized Czechoslovakia the German minority and the Government of the Republic carried on an equally intense and equally inconclusive struggle by the emission and counter-emission of documents, charts, graphs, and statistics.[2] In Rumania the treatment of the Magyars who had been transferred to Rumanian sovereignty in Transylvania called for much criticism, and in one case at least the matter was brought before the League of Nations. The question at issue was the confiscation of Hungarian estates by the Rumanian Government. The fact that these estates had been confiscated was not open to dispute, but the Rumanians alleged in defence that the legislation in question was not specifically directed against the Hungarians, but applied equally to all inhabi-

[1] Professor Murray's proposal 3 having been omitted, his proposals 4 and 5 had now become Assembly Resolutions 3 and 4.

[2] See the bibliography at the end of this section. The German minority presented a petition to the Council of the League, to which the Czechoslovak Government appended its observations, but the Council refrained from taking up the question officially beyond this point.

tants in Transylvania. The question thus raised was one of great difficulty; and, after a preliminary discussion by the League Council in April, 1923, on a request by the Hungarian Government for intervention, an attempt was made to procure a direct agreement under the auspices of M. Adatci (Japan). Negotiations took place at Brussels on the 26th–29th May and a report was drawn up containing declarations by both parties, together with a resolution drafted by M. Adatci, recommending that the dispute should not be allowed to become 'a disturbing influence in the relations between the neighbouring two countries'; that the Hungarian Government should do its best to reassure its nationals; and that the Rumanian Government should remain faithful to the Treaty and the principles of justice on which it declared its agrarian legislation to be founded. This report was signed by the Hungarian and Rumanian representatives. The Hungarian Government, however, repudiated the action of its representative and made it known that it considered the negotiations to have failed. Nevertheless the League Council decided on the 5th July that an agreement had been reached at Brussels and that 'it was of the greatest possible importance that an agreement of this kind should be respected'. The Council therefore confined its action to approving the report and M. Adatci's resolution.[1]

The Council actively intervened in only two of the cases of complaints from minorities which had been brought to its attention by the end of the year 1923. Both these cases related to German minorities in Poland, and in one case at least the intervention of the League resulted in the prevention of serious hardship. It will be remembered that during the years preceding the War the Prussian Government had carried through very elaborate schemes for the purchase of land in Poland, which was then assigned to German colonists, who were transported thither from other parts of Germany. As a result, there were in the territories assigned to Poland by the Treaty some 30,000 of these colonists, who held their land on a perpetual lease from the Prussian Government. It was perhaps not unnatural that the Poles should desire to get rid of this population, which had been introduced deliberately as a political measure for increasing and perpetuating German influence; yet the very fact of the existence of the Minorities Treaties made it impossible for the

[1] The Hungarian representative abstained from voting and stated that his Government reserved the right to take future steps authorized by the Treaties and by the Covenant of the League.

Polish Government simply to eject these colonists by special legislation, as it would probably otherwise have done. It did, however, propose to eject several thousand of them without compensation on the technical ground that the leases by which they held their lands had not been formally completed at the time of the coming into force of the Treaty of Versailles. In addition to this the Polish Government maintained that some of these colonists could not be regarded as Polish citizens on the ground that they still retained their German nationality. These proposals raised very difficult and complicated points, first as to the nature of the leases under which the farms were held, and secondly as to the interpretation of the Treaties, for in some points the Treaty of Versailles and the Minorities Treaties were not identical.[1] Here, then, there was a juridical question peculiarly suitable for decision by the new organization which had been built up at Geneva.

On the 9th November, 1921, the Secretary-General of the League received a telegram from the German Association of Bydgoszcz (Bromberg), informing him that several thousand families of colonists of German origin had been ordered by the Polish Government to evacuate their holdings before the 1st December, and he communicated the telegram, as a matter of urgency, to the members of the Council, after informing the Polish representative at Geneva. The latter informed the League that the date of eviction had already been postponed. On the 14th January, 1922, the case was duly examined by a committee of the Council, which referred it to the Council officially, together with an individual case in which the German proprietor had been given until the 17th January to vacate his property. On that date the Polish Government informed the League that action had been suspended in this case also. On the 17th May the Council urgently requested the Polish Government to suspend action against the Bromberg colonists, in order to allow opportunity for considering whether certain legal questions involved should be referred to the Permanent International Court. To this the Polish Government consented. During its twenty-first Session (30th August–4th October, 1922) the Council referred to a committee

[1] While the clauses in the several Minorities Treaties regarding the acquisition of nationality were almost identical, it is to be noted that they differed in some important particulars from the similar clauses which were incorporated in the various Treaties of Peace. It would happen, therefore, to take a special illustration, that a person residing in Eastern Galicia might have a claim, under the Polish Minorities Treaty, to Polish nationality, while he would not have such a claim under the Treaty of St. Germain. The point is too complicated and too technical to be dealt with here.

of jurists three questions regarding the validity, in certain circumstances, of the official contracts between the German colonists and the former German Colonization Commission. At the same time, the Council referred to the committee a different question of a general character, regarding the interpretation of the Polish Minorities Treaty, Article 4. The Council communicated the jurists' report on the status of the colonists to the Polish representative, but the report was challenged by the Polish Government, and the Council therefore decided on the 3rd February, 1923,[1] to ask the Permanent Court of International Justice[2] for an advisory opinion on the questions: (i) whether the case of the German colonists in Poland came within the competence of the League under the Polish Minorities Treaty, and (ii) whether, if so, the position adopted by the Polish Government was in conformity with its international obligations. During its twenty-fifth session (2nd–7th July, 1923) the Council also referred to the Permanent Court, for an advisory opinion, the provision of the Polish Minorities Treaty, Article 4, under which Poland had agreed to recognize as Polish citizens persons of German, Austrian, Hungarian, or Russian origin born on Polish soil of persons domiciled on Polish territory, even if such persons were not resident in Poland at the moment of the coming into force of the Treaty. What conditions of date were to be read into the word 'domiciled'? The Polish Government denied any obligation to confer Polish nationality on former German nationals whose parents were resident in Polish territory neither at the moment of the birth of the applicants nor at the date of the coming into force of the Treaty.

On the 10th September, 1923, the Court declared, as an advisory opinion in regard to the expropriation of German colonists, that the Council of the League was competent in the matter and that the Polish attitude was contrary to the international obligations assumed by Poland towards her minorities.

[1] A legal point arising out of this resolution was interpreted in a subsequent resolution of the Council on the 17th April, 1923.

[2] The genesis and constitution of the Permanent Court are described in *H. P. C.*, vol. vi, Ch. VI. Part 3. For the opinion of the Court of the 31st July, 1922, and the two opinions of the 12th August, 1922, on points relating to the International Labour Organization, see *op. cit.*, p. 475; and see IV (i) below for the opinion of the 7th February, 1923, regarding the status of British subjects in Tunis and the French zone in Morocco; III (ii) 2 (*e*) for the opinion of the 23rd July, 1923, regarding the status of East Karelia; and III (ii) 2 (*b*) for the judgement of the 17th August, 1923, regarding the right of the S.S. *Wimbledon* to pass through the Kiel Canal. The opinion of the 6th December, 1923, regarding the Javoržina District will be dealt with in the *Survey of International Affairs for 1924*.

On the 15th September, 1923, the Court likewise declared, as an advisory opinion in regard to the interpretation of Article 4 of the Polish Minorities Treaty, that the League of Nations was competent and that the terms of the article merely required the parents of the persons in question to have been habitually resident in the ceded territory at the time of the birth of such persons.

On the 25th September the Council deputed the representative of Brazil to negotiate on its behalf with the Polish Government on the basis of these two opinions. In regard to Article 4 of the Minorities Treaty, the Polish Government then put forward a scheme for negotiations with Germany under the auspices of the League, while in regard to the question of the colonists it intimated a desire for a compromise. The Council therefore suggested that colonists already evicted should receive compensation for having been compelled to alienate their property, while the Polish representative gave an assurance that orders for eviction not yet executed would remain a dead letter. There then followed prolonged negotiations as to the nature and extent of the compensation to be given, but eventually an agreement was arrived at, under which the Polish Government agreed to pay a lump sum of 2,700,000 zlotys (gold francs) which should be divided among five hundred settlers who were able to claim Polish nationality on the 20th July, 1920, the date of the coming into force of the Polish law dealing with their holdings.[1] The Council took note of this agreement on the 17th June, 1924.

In this instance the whole of the new machinery seems to have worked successfully. The very fact of the existence of a Minorities Treaty prevented any proposal for the mass eviction of all the colonists, which, had it taken place, would have left feelings of intense bitterness. Even as regarded the measures taken against a portion of these colonists, the League intervened with success and succeeded in procuring for them a substantial measure of compensation.

The Polish-German negotiations regarding Article 4 of the Minorities Treaty opened on the 12th February, 1924, under the presidency of the Brazilian representative on the Council of the League. The Council's suggestion in regard to the German colonists

[1] The provision was also to apply to persons acquiring Polish nationality as a result of the negotiations then proceeding between German and Polish representatives. If the number of settlers entitled to the compensation exceeded 520, the sum was to be increased proportionately.

was taken as the basis for negotiations between a committee of the Council and a representative of Poland, which were conducted in Paris on the 3rd and 6th March, 1924.

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2. *Mémoire des membres allemands de l'Assemblée nationale tchécoslovaque concernant l'inexécution du traité, conclu le 10 septembre 1919 à Saint Germain-en-Laye, par la législation et par le gouvernement de la République tchécoslovaque* (presented to the League of Nations in September, 1922). [Published as an annex to No. 3.]
3. *Réponse* [du gouvernement tchécoslovaque] *au Mémoire des membres allemands de l'Assemblée nationale tchécoslovaque présenté à la Société des Nations* (Prague, 1922).

No. 3 was accompanied by the following eight memoranda :

4. *Les minorités ethniques au point de vue administratif.*
5. *L'enseignement scolaire dans la République tchécoslovaque au point de vue minoritaire.*
6. *Les minorités ethniques en Tchécoslovaquie au point de vue économique.*
7. *La réforme agraire.*
8. *Les minorités allemande et magyare de Tchécoslovaquie et leur attitude envers cet état.*
9. *Statistique des nationalités en Tchécoslovaquie.*
10. *La Russie subcarpathique au point de vue de la question des nationalités.*
11. *Les minorités ethniques en Hongrie et en Tchécoslovaquie.*

The German petitioners thereupon supplemented their original memorandum with the following seven supplementary memoranda

(bound up together under the title *Supplément du mémoire des membres allemands de l'Assemblée nationale tchécoslovaque à la Société des Nations, présenté en septembre 1922.* Berlin, 1923, Heymann), in which they replied to all the supplementary memoranda of the Czechoslovak Government except Nos. 10 and 11 :

12. *Réplique à la réponse du gouvernement tchécoslovaque au Mémoire des membres allemands de l'Assemblée nationale présenté à la Société des Nations.*
13. *Les préjudices causés aux minorités de la République tchécoslovaque par l'administration.*
14. *Les préjudices causés aux minorités de la République tchécoslovaque en ce qui concerne l'administration scolaire.*
15. *Les préjudices causés aux minorités de la République tchécoslovaque dans le domaine économique.*
16. *La réforme agraire de la République tchécoslovaque et les minorités.*
17. *Les minorités de la République tchécoslovaque et l'État.*
18. *La statistique des nationalités de la République tchécoslovaque et le recensement du 15 février, 1921.*

(ii) The Russian Border

1. Introductory Note

In the introduction to this Part, it has been mentioned that, during the years 1920 to 1923, the international relations of Eastern Europe became focussed partly round Hungary and partly along the western border of Soviet Russia, and that the latter system of relations was the looser of the two. This difference in degree of cohesion was due both to a dissimilarity in the geographical conditions and to differences of outlook and policy between the states concerned in maintaining the new map, especially between Czechoslovakia and Poland.

Hungary, situated in the middle of the Danube Basin and surrounded on all sides by ' successor states ', provided a geographical centre round which the ' Little Entente ' described a circle. The outward thrust of Hungarian irredentism was almost equally strong in all directions ; and, under the co-ordinating influence of Czechoslovak diplomacy, this centrifugal movement was counteracted by a ring of alliances exerting a uniform centripetal pressure. In geometrical terms, the focus of international relations in the Danube Basin was a point. Along the Russian border, on the other hand, it was a line, and this line straggled across an immense and almost featureless plain, from the Arctic Ocean in the North (where, under the Peace Treaty signed at Dorpat on the

14th October, 1920, Soviet Russia ceded to Finland the site for an ice-free port on the open sea [1]) to the Black Sea in the South (where, at the close of the year 1923, Soviet Russia and Rumania were still at variance over the status of Bessarabia [2]).

The mutual relations of the East European border-states along this line constituted not a unitary system so much as a series of separate links. Rumania joined hands with Poland and Poland with the states which had seceded from Russia along the Baltic littoral, but no liaison was established, through Poland, between Rumania on her right flank and Latvia, Esthonia, and Finland on her left. This failure of Polish statesmanship is partly explained by the geographical factor; yet from the political point of view it is still, at first sight, surprising, for Poland would appear to have had a greater need and a better opportunity to build up a comprehensive alliance among the border-states than Czechoslovakia had to create the 'Little Entente'. On the one hand Poland was specially obnoxious to Soviet Russia because she had annexed large White Russian and Ukrainian populations under the Peace Treaty of Riga, and on the other hand she seemed the natural leader of the border-states because she occupied the central position in the line and conspicuously surpassed her northern and southern neighbours in area, resources, and population. A political explanation of her lack of constructive statesmanship can only be found in the temper and policy of Poland herself.

Poland, possessing as she did a common frontier not only with Soviet Russia, Rumania, and Latvia, but with Lithuania, Germany, and Czechoslovakia, as well as an outlet on the Baltic, was extremely sensitive to every political disturbance in Eastern Europe; and, long after she had signed peace with Germany at Versailles on the 28th June, 1919, and with Russia at Riga on the 18th March, 1921, she was distracted by serious territorial controversies relating to Vilna,[3] Danzig,[4] Upper Silesia,[5] Teschen,[6] Zips,[6] and Eastern Galicia.[7] Her frontiers were not definitively fixed at every point until the 15th March, 1923, when a decision in regard to them was

[1] See *H. P. C.*, vol. vi, p. 292, and I. Bowman, *The New World*, 2nd ed., p. 370.
[2] See III (ii) 4 below.
[3] See III (ii) 3 (*b*) below.
[4] See III (ii) 3 (*d*) below.
[5] See *H. P. C.*, vol. vi, Ch. II, Part 2, § 10, and Appendix III for the period ending with the award given on the 12th October, 1921, by the Council of the League of Nations, and the present volume, Part III (ii) 3 (*e*) below, for the subsequent negotiations.
[6] See *H. P. C.*, vol. iv, Ch. VI, Part 1, and vol. vi, Ch. II, Part 2, § 10.
[7] See *H. P. C.*, vol. vi, Ch. II, Part 2, § 11.

taken by the Conference of Ambassadors,[1] and even at the close of that year the demarcation of the boundary between Poland and Czechoslovakia had still to be completed in the district of Javoržina.[2] Considering that she had so many problems on her hands and that her geographical position was even more exposed than that of Czechoslovakia, Poland might have been expected to display the same prudent anxiety as her southern neighbour to settle minor controversies and to liberate all her energies for dealing with the principal danger that confronted her. Prudence, however, was thrust into the background of the Polish mind by the memory of Poland's historic past, which was more vivid, during the four years immediately following her resurrection, than the memory of her downfall and of the causes to which it had been due. During the years 1920 to 1923, the policy of the new Polish Republic was dominated by the ambition to recover the status of a Great Power, to reunite under its sovereignty the territories which the old Republic had possessed in 1772,[3] and once again to make the Polish nation the apostle of Western culture in the vast border-zone of Europe and Russia between the Baltic and the Black Sea. In the peace settlement after the War of 1914, this far-reaching ambition had been satisfied to an extent which would have been inconceivable before the War broke out, but not completely, whereas it had been awakened in its full extent by the mere fact that an independent Polish state had been reconstituted. Although, therefore, Poland had gained relatively more from the peace settlement than almost any other country, she had been left with a sense of grievance. In this temper she showed herself aggressive and overbearing in her outstanding controversies, especially in those with Lithuania and Czechoslovakia, and in consequence she largely forfeited that position of leadership among the border-states of Soviet Russia for which she seemed to be marked out. The reserve with which she was treated by Czechoslovakia has been touched upon already in the introduction to this Part, but it is more significant that a somewhat similar attitude towards her was adopted by the newly formed states on her Baltic flank,[4] although (unlike Czecho-

[1] See the present volume, III (ii) 3 (*b*) below.
[2] See *Survey of International Affairs for 1924*.
[3] These historically Polish territories, of course, extended far beyond the linguistic limits of Polish nationality; yet, with the illogicality of patriotism, Poland at the same time laid claim, on grounds of linguistic nationality, to the districts inhabited by Polish majorities in Upper Silesia, which had lain outside the frontiers of historic Poland since the Middle Ages.
[4] See III (ii) 2 (*d*) below.

slovakia) they possessed a vital interest in common with Poland in regard to the Russian problem.

For these several reasons Poland failed, during the period under review, to make herself the centre of a political system along the Russian border such as was built up in the Danube Basin on the initiative of Czechoslovakia, and the Russian border remained divided into the three distinct sectors of the Baltic, the Polish frontier, and Bessarabia. In the Baltic sector the two principal issues were the relations of the newly formed states with the Scandinavian countries on the one hand and with Soviet Russia on the other. In the Polish sector the problem of the western frontier of Soviet Russia was interwoven with that of the eastern frontier of Germany by the Franco-Polish Treaty of the 19th February, 1921,[1] and by the outstanding local questions of Upper Silesia, Danzig, and Memel. At the same time, the Polish sector of the Russian border was linked up with the Bessarabian sector by the Polish-Rumanian Treaty of the 3rd March, 1921.[1] These relationships are dealt with in the present section (ii) ; but it has seemed most convenient to reserve the relations of Poland with Czechoslovakia and Hungary for consideration in section (iii), which is concerned with the Danube Basin and the Balkan Peninsula.

2. The Baltic

(*a*) *The Scandinavian States and the Baltic*

By the beginning of the year 1920, the War and the Russian Revolution had brought about a complete change in the political status of the countries bordering on the eastern and south-eastern shores of the Baltic, and this change affected the whole international situation in the Baltic Basin, including the position of the Scandinavian states. The Baltic Sea, which is so curiously similar to the Black Sea in its physical configuration, had been dominated before 1914 by two great Powers, Germany and Russia, though occasional visits of the British fleet reminded the world that the Sound and the Cattegat were not, like the Dardanelles and the Bosphorus, closed to ships of war. The entire continental coast, however, had been under Russian and German sovereignty and the Scandinavian states on the opposite side had safeguarded their independence for a century by a policy of unambitious abstention from international

[1] See III (ii) 3 (*f*) below.

complications. The general status of the Baltic Basin had been regulated by two international instruments; a Treaty signed in 1907 between Great Britain, France, Germany, Norway, and Russia, which aimed at securing the integrity of Norway (an integrity which might have been threatened, after the separation of Norway from Sweden in 1905, by Russian ambitions to possess an ice-free port on the open sea); and a Declaration signed in 1908 by Denmark, Germany, Russia, and Sweden, the object of which was the maintenance of the territorial *status quo* in the Baltic.

Meanwhile, as a result of the War of 1914, the German navy had almost disappeared, at any rate for a time, while the Baltic littoral of the former Russian Empire had passed into the possession of five new states—Finland, Esthonia, Latvia, Lithuania, and Poland—the coastline of Russia herself being now confined to the eastern extremity of the Gulf of Finland, with the ports of Kronstadt and Petrograd. At the same time, the new arrangements for Danzig and Memel had given an active influence and interest in these waters to Great Britain and France, while the Kiel Canal [1] had been opened to the commerce and warships of all nations.

The Scandinavian states, which had succeeded in preserving their neutrality during the War, had emerged from it without serious change. Norway increased her territory by the acquisition of the Island of Spitzbergen in 1920, and in the same year Denmark gained a small increase by the acquisition of North Schleswig. It was hoped that the result of the Schleswig plebiscite [2] would be to remove what had been a constant cause of international friction since 1866, and the Danish Government displayed great discretion and moderation throughout the affair. In particular they showed every disposition to treat in the most conciliatory manner the comparatively small number of Germans who were incorporated in Denmark as a result of the plebiscite—a tendency which was not entirely reciprocated in Germany, where on more than one occasion the extreme nationalist party showed a disposition to keep alive the old national animosity. On the whole, however, this increase of territory did not threaten to involve Denmark in the general current of Continental European affairs, whereas Sweden was threatened with more serious complications by her controversy with Finland over the Aaland Islands,[3] while all three Scandinavian countries would have become implicated in the problem of the Russian

[1] See III (ii) 2 (*b*) below.
[2] See *H. P. C.*, vol. ii, Ch. IV, Part 1.
[3] See III (ii) 2 (*c*) below.

border if they had established any *entente* with the new ex-Russian states on the east coast of the Baltic, either through the formation of a Scandinavian *bloc* including Finland or through the entry of the Scandinavian countries themselves into a general Baltic Union. Both these combinations were suggested during the period under review, but the Scandinavian countries preferred to retain their previous character of minor West European states without continental commitments and to look for support not in any local system of alliances but in their Membership in the League of Nations. It will be seen below how this choice on their part affected the policy of the Baltic states newly erected at Russia's expense.[1]

A tendency towards a political association between the Scandinavian states had appeared during the War, when they had been brought into close connexion with one another owing to their common neutrality; but attempts to maintain this association in any formal way after the War was over were unsuccessful. Each of the three nations preferred to pursue its independent policy; but, at the same time, there did remain a tendency to act together in regard to particular matters, and several inter-Scandinavian conferences were held, in some of which Finland was included. In general they were strong advocates of the League of Nations, like the other smaller states, and Sweden, especially, who was represented at Geneva by M. Branting, took a prominent part from time to time as an intermediary between Germany and the Allies. The Scandinavian states were also supporters of a general policy of disarmament, and in this matter Denmark took the lead by making far-reaching proposals for the practical abolition of all armed forces of her own.[2] In Norway, however, there was a continuance of the strong nationalist spirit which had led in 1905 to the separation from Sweden. In July, 1922, for example, the Norwegian Government declared that the Treaty of 1907, referred to above, had ceased to be valid. Now that the menace from Russia had been removed by the break-up of the Russian Empire and by the interposition of a strip of independent Finnish territory between Norway and the dominions of the Soviet Republic,[3] the Norwegians seem to have considered that the Treaty was to some extent a derogation from their position as a sovereign state and that it was undesirable for them to be protected by any partial agreement in addition to

[1] See III (ii) 2 (*d*) below.
[2] See the *Survey of International Affairs for 1924*.
[3] By the Treaty of Dorpat of the 14th October, 1920.

the more general guarantee of their independence which was given by the Covenant of the League. Although technically the Treaty could not be denounced until 1928, the principle of denunciation was agreed to by all the other signatory Powers with the exception of Russia, and notes to this effect were exchanged on the 8th January, 1924. Russia also subsequently gave her consent.

There is little that calls for mention in the relations of the Scandinavian states to one another, but a controversy which seems on the whole more curious than serious arose between Denmark and Norway. It had its beginning in a claim made by Denmark in May, 1921, to extend the effective sovereignty which she had long exercised over the south of Greenland to the east coast. This claim, which was recognized by both Great Britain and France, threatened to interfere with Norwegian fishing, and it was consequently disputed by Norway, who contended that the east coast of Greenland was not Danish and should be Norwegian.[1] Partly as a consequence of this claim a movement of a more aggressive character sprang up in Norway for the recovery of the Faroe Islands and Iceland. Before the Union of Kalmar in A. D. 1397, these islands had been parts of the Kingdom of Norway, but during the long period when Norway and Denmark had been under the same Crown they had of course been included in the common dominions. When, by the Treaty of Kiel in 1814, Norway had been transferred from the Danish to the Swedish Crown, the islands, including Iceland, had been left with Denmark. Strong protests had been made against this arrangement at the time, and the Norwegians declared that the Treaty, to which they had never given their assent, was invalid. In 1905 Norway separated from Sweden and recovered her international independence, and it was then suggested by some that the old external possessions of the Kingdom should be returned to her. The justification for this claim was that the inhabitants of the Faroe Islands and Iceland were Norwegian in speech and sympathy, and this is an interesting illustration of the manner in which the doctrine of self-determination might be used to reopen territorial questions which every one believed to have been settled permanently.

In the meantime Iceland, which had long enjoyed extensive

[1] An agreement was reached between representatives of the two countries in January, 1924, which protected Norwegian hunting and fishing rights but left undecided the question of the sovereignty over Greenland. A treaty to this effect was signed on the 9th July, 1924, and came into force, for twenty years, on the following day.

home rule under the Danish Crown, had attained the formal status of an independent sovereign state under the Danish-Icelandic Treaty of the 30th November, 1918—the principal remaining limitation upon her sovereignty being that the conduct of her foreign affairs was left in Denmark's hands. This constitutional change, like the constitutional safeguards which Finland granted to the Aaland Islands,[1] cut away the ground from under any demand for a change of allegiance.

(*b*) *The Judgement delivered by the Permanent Court of International Justice on the 17th August, 1923, regarding the Right of the S.S.* Wimbledon *to pass through the Kiel Canal.*[2]

'In March, 1921, the English S.S. *Wimbledon*, chartered by a French Company and carrying a cargo of 4,000 tons of munitions consigned to Poland, arrived at the entrance to the Kiel Canal *en route* for Danzig and was refused access by the Director of Canal Traffic. This official, acting under instructions, cited in support of his refusal the German Neutrality Regulations.

'According to the Treaty of Versailles, the Kiel Canal and its approaches were to be maintained free and open to the vessels of commerce and war of all nations at peace with Germany on terms of entire equality.

'The French Embassy at Berlin having failed to obtain the withdrawal of this refusal, the vessel *Wimbledon* was ordered to proceed via the Danish Straits. It thus underwent a delay of eleven days, with a further two days for deviation. The question was submitted to the Conference of Ambassadors, but that body did not succeed in effecting an agreement. During the negotiations the German Government was the first to suggest that the case should be submitted to the Permanent Court of International Justice. Subsequently, it was the Allied Governments—France, Great Britain, Italy, and Japan—who, on the 16th November, 1922, took the initiative of instituting proceedings before the Court.

'As the case of the *Wimbledon* involved the interpretation of Article 380 of the Treaty of Versailles, notice of the application was given to all states parties to the Treaty of Versailles. On receipt

[1] See III (ii) 2 (*c*) below.

[2] The following account is quoted from a pamphlet entitled *The Permanent Court of International Justice*, published by the Information Section of the League of Nations Secretariat.

of this notice, Poland requested the Court's permission to intervene in the oral proceedings.

'On the 17th August the judgement of the Court was read at a public sitting. This judgement was drawn up by a majority of nine judges. It was to the effect that the application had been made in due form and that the German authorities were wrong in refusing passage to the S.S. *Wimbledon*, the German Government being bound to make good the prejudice sustained (estimated by the Court at 140,000 French francs) as the result of this action. Two judges were unable to concur in the judgement of the majority, and made use of their right to deliver a separate opinion. The same course was adopted by the German national judge.'

(c) *The Controversy between Finland and Sweden over the Status of the Aaland Islands*

The Aaland Islands, which form a bridge across the mouth of the Gulf of Bothnia between Sweden and Finland, had, like the adjoining coast of the Finnish mainland, been inhabited since the Middle Ages by a Swedish population. So long as Finland and Sweden were under a single government, the position of these islands gave rise to no political problem. Indeed, they constituted a link between the two principal dominions of the Swedish Crown. On the 17th September, 1809, however, they were ceded by Sweden to Russia, together with Finland, under Article 4 of the Russo-Swedish Peace Treaty of Fredrikshavn, and from that date until the break-up of the Romanov Empire [1] they were included in the Grand Duchy of Finland, which, after its severance from Sweden, was associated with Russia by a personal union. Their inclusion in Finland instead of Sweden after the separation of the two countries was justified from one point of view by the fact that they lay nearer to the Finnish than to the Swedish mainland and were joined to the former by a traversable ice-field during the winter. On the other hand, they ought to have been left to Sweden on the principle of nationality, and the cession of them to Russia brought the latter Power within striking distance of Stockholm and gave her the strategic command of the Baltic. This latter consequence of the Russo-Swedish Treaty of 1809 was remedied by the Aaland Convention of the 30th March, 1856, providing for the demilitarization of the archipelago; but Sweden was not a party to this instrument, which was annexed

[1] See *H. P. C.*, vol. vi, Ch. III, Part 1.

to the Treaty of Paris and was signed by Russia, France, and Great Britain alone.

When Finland declared her complete independence of Russia in December, 1917, the Aaland Islanders claimed the right of self-determination on their own account. After addressing several petitions to the Peace Conference of Paris, they organized an assembly of delegates from the communes, which met on the 1st June, 1919, and called for a plebiscite, on the basis of universal adult suffrage, upon the question of incorporation in Sweden. A document in favour of incorporation was circulated during the same month in every commune, and it was claimed that, by the 25th, 9,735 out of 10,196 persons entitled to vote had signed it.[1] The Swedish Government upheld the right of the Islanders to take this step, while the Finnish Government rejected it as incompatible with the sovereign rights of Finland.[2] On the 7th May, 1920, the Finnish Diet passed a law granting autonomy to the Aaland Province,[3] but the continued tension between Finland and Sweden over this question moved Great Britain, in the exercise of her friendly right under Article 11 of the Covenant, to draw the attention of the Council of the League to the case of the Aaland Islands on the 19th June, 1920. On the 12th July, 1920, the Council decided, with the consent of the two interested Governments,[4] to consult a special Commission of three international jurists as to (i) whether the question was international or was a purely internal affair of Finland, and (ii) whether the Convention of 1856 still held good. The Commission (consisting of a French, a Dutch, and a Swiss member) sat from the 3rd August to the 5th September and reported (i) that the question was not the exclusive concern of Finland, so that the Council of the League was competent to deal with it, and (ii) that the Convention of 1856 had not lapsed and must be observed by whatever state succeeded Russia as possessor of the Islands. On the 20th September, 1920, the Council, on the basis of this legal opinion, declared its competence to deal with the Aaland question and appointed a fresh Commission of three members (Belgian, Swiss, and American) to draft a settlement. This Commission pronounced

[1] See *L. N. O. J.*, Special Supplement No. 1 of August, 1920, Annexes 13–15 to the Swedish Case.

[2] Sweden had weakened her case by previously recognizing the independence of Finland without reservations. For the diplomatic correspondence see *loc. cit.*

[3] Text in *loc. cit.*, pp. 6–11.

[4] For the cases presented on this occasion by the Finnish and the Swedish Governments respectively, with the documents annexed to each, see *loc. cit.*

the sovereignty of Finland over the Aaland Islands to be incontestable, and laid down a principle of great general importance in rejecting the Islanders' claim to self-determination :

> To concede to minorities, either of language or religion, or to any fractions of a population the right of withdrawing from the community to which they belong, because it is their wish or their good pleasure, would be to destroy order and stability within states and to inaugurate anarchy in international life ; it would be to uphold a theory incompatible with the very idea of the state as a territorial and political unity. . . . The separation of a minority from the state of which it forms a part and its incorporation in another state can only be considered as an altogether exceptional solution, a last resort when the state lacks either the will or the power to enact and apply just and effective guarantees.

At the same time the Commission found that the Islanders formed a distinct group within the Finnish body politic, with special characteristics to be preserved and rights to be safeguarded. For this purpose it specified five guarantees which ought to be incorporated in the autonomy law passed by the Finnish Diet on the 7th May, 1920, and declared that, in the unlikely event of these guarantees being refused by Finland, it would be necessary to have recourse to a plebiscite, or, in other words, to allow the Islanders to safeguard their own rights by the more drastic method of transferring their allegiance from Finland to Sweden. The Commission also reported in favour of a new convention for the neutrality of the Aaland Islands, to be signed by all the Baltic Powers.

In June, 1921, the Council considered this report and heard representatives of Finland, Sweden, and the Islanders themselves. Finland accepted the report ; Sweden still asked for a plebiscite ; and the Islanders persisted in their demand for reunion with Sweden, though it appeared from their evidence that they were enjoying full linguistic, religious, and political liberty under the Finnish régime. On the 24th June the Council decided that the sovereignty over the Islands should remain with Finland, but that new guarantees should be given to the population and a new neutralization convention negotiated (on lines already suggested by the Swedish Government). The guarantees were discussed forthwith by the representatives of Finland and Sweden under the presidency of M. Hymans (Belgium) representing the Council, and on the 27th June an agreement was reached which embodied the guarantees already proposed in the report of the League's Commission. It was agreed that five guarantees should be inserted in the

law of the 7th May, 1920 : (i) public education was to be in the Swedish language, and there was to be no compulsory teaching of Finnish in schools maintained or aided by the province or the commune ; (ii) whenever real estate situated in the Aaland Province was purchased by a person not legally domiciled there, any person legally domiciled there, or the local public authority, was to be entitled to repurchase the said real estate at a price to be fixed (failing agreement) by the Court of First Instance ; (iii) Finnish citizens from other provinces who settled in the Islands were not to acquire the provincial and communal suffrage until they had been legally domiciled in the Islands for five years ; (iv) the Governor of the Islands was to be appointed by the President of the Finnish Republic in agreement with the President of the Aaland *Landsting*, or (failing agreement) the President of the Republic was to appoint the Governor from a list of three candidates nominated by the *Landsting* ; (v) the guarantees were to be placed under the supervision of the Council of the League, to whom the Finnish Government was to transmit any complaints of the Aaland *Landsting* together with its own observations—the Council being entitled to consult the Permanent Court of International Justice on points of law.

For the negotiation of a new neutralization convention, invitations to attend a Conference at Geneva were sent on the 10th August, 1921, by the Secretary-General of the League to the Governments of Denmark, Esthonia,[1] Finland, France, Germany, Great Britain, Italy, Latvia,[1] Poland, and Sweden. The Conference was duly held from the 10th to the 20th October, 1921, and on the latter date a final Convention was signed,[2] which came into force, after exchange of ratifications, on the 6th April, 1922. In the preamble all the contracting parties declared their resolve to carry out unreservedly the intention of the engagement undertaken by Russia in the Convention of the 30th March, 1856, while in Article 1 Finland assumed the obligation undertaken by Russia to leave the Islands unfortified. The area of the Islands and territorial waters to be neutralized was defined (Art. 2) ; the complete demilitarization of the zone thus defined was stipulated for, with certain exceptions which were to remain in the discretion of the Finnish Government (Arts. 3 and 4) ; ' freedom of innocent passage ' for

[1] Included at the instance of the British Government.

[2] Text in British White Paper, *Convention respecting the non-fortification and neutralization of the Aaland Islands, signed at Geneva, October 20, 1921* (*Cmd.* 1680 of 1922).

warships was permitted (Art. 5) ; but in war-time the zone was to be neutral—Finland being empowered to enforce its neutrality by laying mine-fields (Art. 6). Measures for maintaining the Convention were to be decided upon, at the instance of the contracting parties, by the Council of the League of Nations, the contracting parties undertaking to assist in the measures which the Council might decide upon for this purpose (Art. 7) ; [1] the Convention was not to be invalidated by any changes in the *status quo* in the Baltic (Art. 8) ; the Council was requested to bring the Convention to the notice of all Members of the League, and the adhesion of non-signatory Powers might be obtained with the unanimous consent of the original signatories (Art. 9).

On the 11th January, 1922, the Council decided to accept the guarantee obligations imposed on it by Article 7 and to comply with the request contained in Article 9.

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Swedish Government : *Alandsfrågan inför nationernas förbund.* 2. Den av Nationernas förbundsråd tillsatta rapportörkommissionens utlåtande (Aktstycken utg. av K. utrikesdepartementet). 1921. Stockholm. Nordiska bokh. 8vo. v + 193 pp. 5 kr.

(*d*) *International Relations of the new Baltic States* (*Finland, Esthonia and Latvia*)

The states which occupied the eastern shores of the Baltic during the period under review had this in common, that they had all, as a consequence of the War and the Russian Revolution, become separated from the former Russian Empire, and the most important problem of foreign policy confronting each of them was that of their relations to the new Soviet Republic. In each case their legal posi-

[1] When making a decision the Council was to summon the parties to the Convention to attend, and, in default of unanimity, each contracting party was to be authorized to take such measures as the Council might recommend by a two-thirds majority (the vote of the Power accused of having violated the Convention being ignored in reckoning either unanimity or the two-thirds majority, as the case might be). Finland might take steps on her own initiative to repel any sudden attack (Art. 7).

tion as independent and sovereign states required formal recognition by the Soviet Government as the representative of the Russian Empire, and this recognition, when accorded, involved numerous minor points such as always arise when one territory is separated politically from another ; but, even after formal recognition had been given, the continued independence of the new states was exposed, in different degrees, to special dangers, owing to the peculiar nature of the new political organization which was being constructed in Moscow. In theory, the Bolsheviks fully recognized the doctrine of self-determination ; but, as their relations to countries so different from one another as the Ukraine and Georgia showed, it was their policy to use this doctrine in order to reconstitute the former Russian Empire under their own system by bringing the seceding states together again as a federation of autonomous Soviet Republics. This could be achieved if in each of these countries there was a strong communist movement ; for, even if the local communists were in fact in a minority, internal revolutions might be organized and the seceding states might then be brought, under the dictatorship of the proletariat, into the Soviet system. For this reason the relations of these states with other countries were closely bound up with their internal affairs. In the cases of Finland, Esthonia, and Latvia, the declaration of independence had been preceded and followed by a civil war between the 'Reds' and other parties, and the Governments in all these states had to be constantly on their guard against a resuscitation of the communist agitation. There was abundant evidence that any movement of this kind would be encouraged and directly assisted by the Government of Moscow. The independence of these countries therefore largely depended upon the skill with which they consolidated themselves at home, and in Latvia and Esthonia this task was all the more difficult because their recent achievement of independence had involved not only a political but an agrarian revolution.

The independence of Finland had been recognized by Russia, though perhaps not in any very formal manner, at a comparatively early stage of the Revolution, but a state of war had arisen between the two countries and had continued until the signature of a Peace Treaty at Dorpat on the 14th October, 1920.[1] This Treaty, which

[1] See *H. P. C.*, vol. vi, Ch. III, Part 2. On the 16th December, 1920, after the conclusion of this Treaty, Finland was admitted to Membership in the League of Nations.

was ratified on the 1st January, 1921, not only determined Finland's frontiers on the Russian side and dealt with the status of East Karelia, but made provision for a multitude of other matters, such as fishing in the Arctic Ocean, freedom of transit for Russia across Finland, and navigation in the Gulf of Finland, though many details were left for further settlement. The new Finnish-Russian frontier was approximately identical with the boundary between the Grand Duchy of Finland and Great Russia under the former Russian Empire, except that Finland acquired a narrow strip of additional territory between Murmansk and the eastern frontier of Norway, which gave her an ice-free outlet on the open sea and the site for a port at Pechenga.

However, although a Peace Treaty had been concluded, considerable tension continued between the two countries. A diplomatic representative of the Soviet Government was appointed at Helsingfors, but it soon appeared that he was using his position in order to encourage communist agitation within Finland itself, and much opposition was aroused by the demand that the commercial representatives of Soviet Russia should enjoy full diplomatic privileges. The more serious dispute which arose in 1921 concerning East Karelia, in regard to which no definite conclusion had been reached by the end of the year 1923, is dealt with separately below.[1]

Meanwhile, Esthonia and Latvia had declared their independence during November, 1918, and *de facto* recognition by the Principal Allied Powers had followed very shortly. The legal establishment of their Governments remained incomplete, however, until the conclusion of a Russo-Esthonian Peace Treaty at Dorpat on the 2nd February, 1920, and a Russo-Latvian Peace Treaty at Riga on the 11th August of the same year.[2] These treaties included a formal recognition of independence and the actual words of the clause inserted in the Treaty of Riga may be quoted :[3]

> By virtue of the principle proclaimed by the Federal Socialist Republic of the Russian Soviets, which establishes the right to self-determination for all nations, even to the point of total separation from the states with which they have been incorporated, and in view of the desire expressed by the Latvian people to possess an independent national existence, Russia unreservedly recognizes the independence and sovereignty of the Latvian State and voluntarily and irrevocably renounces all sovereign rights over the Latvian people and territory which formerly belonged to Russia under the then existing con-

[1] See III (ii) 2 (*e*).
[2] See *H. P. C.*, vol. vi, Ch. III, Part 1 and Part 2, § 8.
[3] The wording was slightly different in the Treaty of Dorpat.

stitutional law as well as under international treaties, which, in the sense here indicated, shall in future cease to be valid. The previous status of subjection of Latvia to Russia shall not entail any obligation towards Russia on the part of the Latvian people or territory.

These Treaties, like the Treaty with Finland, also laid down the new frontiers between the two seceding states and Russia, and provided for the innumerable matters of detail arising out of the separation of the territories. Following on these Treaties came the *de jure* recognition of Latvia and Esthonia by other European states, that of the Principal Allied Powers being granted in both cases on the 26th January, 1921. It is important to note that this step was not taken until after the Russian recognition of their independence. On the 22nd September, 1921, both countries were admitted to Membership in the League of Nations.

In the mutual relations of these three Baltic seceding states, the lead was naturally taken by Finland, as the strongest and oldest established amongst them, and from 1919 to 1922 the conduct of Finnish foreign affairs was in the hands of Dr. Holsti. There seems to have been some idea at first that Finland should enter a Scandinavian *bloc*, but eventually Dr. Holsti began to work for a definite alliance between the several new states to the east of the Baltic. With this object he issued invitations to a conference, which took place at Helsingfors on the 25th–28th July, 1921, and was attended by representatives of Esthonia and Latvia and also, though in a less formal way, by a representative of Poland. As a result, a commercial treaty between Finland and Esthonia was arranged, and on the 29th July a protocol was signed providing that the Foreign Ministers of the four Governments should hold periodical conferences in future. Five economic and financial conferences appear to have been held before the end of 1923 (on the 12th–20th September, 1921, at Riga ; in December, 1921, at Reval ; on the 8th September, 1922, at Reval ; on the 5th–8th March, 1923, at Helsingfors ; and on the 16th–19th October, 1923, at Reval) ; but these were of less importance than the political conference held at Warsaw in March, 1922, as a preliminary to the general European Conference of Genoa,[1] for on this occasion the issue was raised of the relations between the three Baltic states and Poland. The prevailing feeling in Finland with regard to Poland was one of grave suspicion and dislike of the aggressive and chauvinist motives which were attributed to that country, and the Finnish Government was very

[1] See I (ii) above.

apprehensive that close relations with Poland might involve Finland unnecessarily in a conflict with Russia. On the other hand, the existing tension with Russia made it necessary for Finland to look about for external support in case of war; and, in view of the evident determination of the Scandinavian countries to avoid Russian complications, the countries east of the Baltic could not afford to rule out the alternative of a Polish orientation. As a result of the Warsaw Conference an agreement was made by which the parties undertook, among other things, 'to observe benevolent neutrality towards any of the signatory states which might be attacked without provocation, and to consult immediately with regard to subsequent steps to be taken.' This, however, went further than Finnish opinion approved. The Finnish Diet refused to ratify the agreement and in consequence Dr. Holsti was forced to resign on the 20th May, 1922. His resignation may be said to have put an end, once and for all, to proposals for anything in the nature of a general military alliance between Finland, Latvia and Esthonia, and Poland, though the economic conferences continued, and a meeting was held by the four Governments at Reval, towards the end of August, 1922, in order to discuss their policy at the forthcoming (Third) Assembly of the League of Nations.

On the other hand, considerable suspicion was aroused by repeated suggestions from Moscow that Russia and the Baltic states might join in a separate disarmament agreement. The Warsaw Conference of March, 1922, had been followed during the same month by a meeting at Riga between the parties represented at Warsaw and representatives of Soviet Russia, and on this occasion the establishment of neutral zones along the frontiers as a preliminary to disarmament had been suggested.[1] The protocol of the 30th March, 1922, embodying the conclusions of this meeting, had not come into force, since it had not proved acceptable to all the Governments concerned; but on the 1st–4th August, 1922, after the break-up of the Genoa Conference, Finland, Latvia, Esthonia and Poland held a special conference on disarmament at Reval and their representatives met again at the same place on the 8th–9th October in order to discuss the policy to be pursued with regard to the Russian project for a treaty of non-aggression. This was followed in December, 1922, by a disarmament conference at Moscow between the same four parties and the Soviet Government, but, once again, the discussion produced no practical results. Another conference, at which Russia

[1] See I (ii), p. 28, above.

was not represented, was held at Riga on the 9th–11th July, 1923, when proposals were considered for applying to the east coast of the Baltic the principles laid down at Washington for the reduction of naval armaments. The Governments of the four countries also agreed to support proposals at Geneva for a reduction of armaments in combination with a general treaty of mutual guarantee.[1] The reduction of naval as well as land armaments was a question of the greatest importance to the three Baltic states, for it was obviously to their interest to prevent the re-establishment of an overwhelming naval superiority by Russia. Their own resources would not allow them, even had they wished, to spend much money on naval construction, while the Poles, who undoubtedly desired to show their flag on the Baltic, were impeded by the fact that they possessed no naval station.

It remains to consider the relations of Latvia and Esthonia with one another, since these two newly founded states were drawn together by the special acuteness of the Russian danger as it affected them. They were not only weaker than either Finland or Poland in territory, resources, population, and political experience, but, unlike their northern and southern neighbours, they lay directly between Russia and her natural outlets on the Baltic. Before the break-up of the Russian Empire, the port of Riga had ranked with Odessa as one of the two principal maritime *entrepôts* of Russian trade, and Riga had been supplemented by Reval and Libau, while Port Baltic, close to Reval, had become an important Russian naval station. All these ports had now passed under Esthonian or Latvian sovereignty, and their new owners were naturally apprehensive that Russia might attempt to regain control of them at the first revival of her strength. In view of this, the continual activity of communist agitators, by which not only Finland but Latvia and Esthonia (especially Esthonia) were troubled, was particularly alarming in their case. For these reasons Latvia and Esthonia were the strongest advocates of a Baltic *bloc* including the Scandinavian states, or, failing that, of a union between the states which had seceded from Russia, including Poland ; but the more ambitious of these two projects was frustrated by the refusal of Sweden to support it, while the smaller scheme was hindered by the reluctance of Finland to commit herself to Poland. Poland herself (who had secured a common frontier with Latvia along the River Dvina by the terms of the Russo-Polish Peace

[1] See *Survey of International Affairs for 1924.*

Treaty signed at Riga on the 18th March, 1921) would have been the natural protector of Latvia and Esthonia against Russia. So long as they were independent these two small states covered Poland's left flank against Russia on the Baltic, just as Belgium and the Netherlands covered the left flank of France against Germany on the North Sea ; but, during the period under review, the relations of Latvia and Esthonia with Poland underwent many fluctuations. If at any time there were serious danger of aggression from Russia, the Baltic states would necessarily depend largely on Polish support ; but on the other hand Latvia and Esthonia were suspicious of Polish policy, though not perhaps to the same extent as Finland, and were disinclined to commit themselves to anything which might involve them in a war arising out of Polish aggression. There was also a strong feeling of sympathy for Lithuania [1] in her struggle against Poland.

In these special circumstances Latvia and Esthonia were thrown together in a closer and more intimate contact. A political and military agreement had been concluded in July, 1921, and two years later, as a result of a conference held at Riga, a definite Treaty of Defensive Alliance was signed on the 1st November, 1923. The essential points of the Treaty were that the two Governments should pursue a purely pacific policy towards all nations, and especially towards the neighbouring countries ; that they should concert together and give each other mutual political and diplomatic support in their respective international relations ; that if either were attacked on its existing frontiers without provocation, the other state should at once come to its aid with armed assistance ; and that neither state should conclude an alliance with a third party without the consent of the other. This Treaty was to last for ten years. In addition there were signed a preliminary treaty for an economic and customs union, which contemplated the speedy establishment of a common tariff and a common customs organization, an agreement for the mutual renunciation of monetary claims, an agreement incorporating a settlement of outstanding frontier questions between the two states, and a convention regulating the collection of harbour dues.[2]

[1] See III (ii) 3 (*b*) below. The Lithuanians were not only neighbours of the Latvians but they spoke a closely related language. On the other hand, they were Roman Catholics, whereas the Latvians and Esthonians, like the Finns, were Protestants.

[2] Ratifications of these five instruments were exchanged on the 21st February, 1924. (Texts of the first three in *L'Europe Nouvelle*, 12th January, 1924.)

Latvia and Esthonia were thus closely linked together, but at the same time the two states much desired the support of Western Europe, and especially of Great Britain. The British Government, however, was naturally disinclined to accept any definite commitments or to make any engagements outside the general obligations involved in Membership of the League of Nations. The relations of the two states with France were to a large extent governed by those with Poland. Had a definite military alliance been formed with Poland, then they could probably have been assured of full French support in case of war and would thereby have been brought into the French system, which aimed at strengthening those countries which intervened between Germany and Russia. For the reasons which have been given, however, the two states were not willing to go to this length.

Like Finland, Esthonia and Latvia consistently pursued a prudent and moderate foreign policy, while at the same time, by commercial treaties with other countries, they began to establish themselves in the general European system. From the first they were, as their whole position counselled them to be, supporters of those larger conceptions of international peace which were being worked out by the League of Nations. Meanwhile, they were not unsuccessful in meeting the serious internal problems with which they were confronted. Latvia placed her currency on a gold basis, while both states did their utmost to foster the important transit trade between the Baltic ports and their hinterland in Russia—a wise commercial policy which was at the same time the best possible insurance against a revival of Russia's political ambitions at their expense.

(*e*) *The Status of East Karelia*

East Karelia was a territory marching with Finland along almost the whole of her eastern frontier from Lake Ladoga northwards and inhabited by a population which was of Finnish nationality but which had never been included in Finland politically. The Finnish peoples had originally inhabited both shores of the Gulf of Finland, including not only Esthonia but even the territory on which the city of St. Petersburg was eventually built. The frontier between Finland and Russia had divided the territory of the Karelian people—the eastern half having been incorporated in Russia and the inhabitants converted to the Orthodox form of Christianity, whereas the western Karelians had been incorporated

in the Finnish dominions of Sweden and converted first to Catholicism and subsequently to Protestantism. Before the Bolshevik Revolution of 1917 East Karelia had had no separate status within the Russian Empire ; but, in accordance with the Soviet Government's policy of decentralization on lines of nationality, the Workers' Commune of Karelia was established on the 8th June, 1920, as an autonomous territory within the Federal Soviet Republic.[1] In Articles 10 and 11 of the Russo-Finnish Peace Treaty signed at Dorpat on the 14th October, 1920,[2] it was stipulated that East Karelia should enjoy political, economic, and cultural autonomy under Russian sovereignty, and there was annexed to the Treaty a unilateral declaration to the same effect by the Russian delegation.

In the summer of 1921 the Finnish Government addressed notes to the Soviet Government alleging that it had not carried out all the stipulations of the Treaty of Dorpat, and particularly those regarding East Karelia. In the middle of November a rebellion against the Soviet Government broke out in East Karelia ; the Soviet Government alleged that this had been fomented by the Finns ; and, however that may have been, the activist party in Finland undoubtedly attempted to help the insurgents when once the rebellion had begun. The Finnish Government, however, appears to have acted with great correctness and to have stopped the supply of arms and assistance to the insurgents across the frontier. Moreover, on the 26th November, 1921, the Finnish Government appealed to the League of Nations, on the ground that the Russians were not carrying out the obligations imposed upon them by the Treaty of Dorpat and that the situation thus created constituted a threat to peace. At the end of the year the Russians concentrated a large number of troops near the frontier and the situation appeared alarming, but the prudence of the Finnish Government prevented any further development. During 1922 the Russians suppressed the rising with merciless severity and the danger of war between Russia and Finland gradually evaporated.

Meanwhile, on the 14th January, 1922, the League of Nations Council had undertaken to examine the question of the alleged non-application of the Treaty of Dorpat if both parties consented, and suggested that one of the States Members of the League in normal relations with the Soviet Government should lend its good

[1] See the Foreign Office publication, *Soviet Russia.*
[2] See III (ii) 2 (*d*) above.

offices to effect an agreement between the two parties. Since, however, this suggestion led to no result, Finland requested the Council on the 10th November, 1922, under Article 14 of the Covenant, to refer the question of the nature of the case to the Permanent Court of International Justice, and on the 21st April, 1923, the Council asked the Court for an advisory opinion in the following terms :

> Do Articles X and XI of the Treaty of Peace between Finland and Russia signed at Dorpat on October 14th, 1920, and the annexed declaration of the Russian Delegation regarding the autonomy of Eastern Karelia constitute obligations of an international character which bind Russia, in her relations with Finland, to carry out the provisions contained therein ?

On the 19th May, 1923, the Court notified the Soviet Government of this request for an advisory opinion, and on the 11th June M. Chicherin replied in a telegram in which he referred to the decree of the 8th June, 1920, denied that the Dorpat Treaty imposed any obligations upon Russia to go beyond this previous decree, and declared that

> the Russian Government categorically refuses to take any part in the examination of this question by the League of Nations or by the Permanent Court. Apart from considerations of law, according to which the question of the status of Karelia is a matter of Russian domestic jurisdiction, the Soviet Government is compelled to affirm that it cannot consider the so-called League of Nations and the Permanent Court as impartial in this matter, having regard to the fact that the majority of the Powers belonging to the League of Nations have not yet accorded to the Soviet Government *de jure* recognition and several of them refuse even to enter into *de facto* relations with it.

Nevertheless, the Court heard a representative of the Finnish Government on the 22nd and the 26th June, 1923 ; but on the 23rd July it concluded, by a majority of seven judges to four, that it had no jurisdiction to express an opinion on the question placed before it by the Council ; observed that, since this point was at the moment the object of acute controversy between Finland and Russia, to give an answer to the question submitted would be substantially equivalent to settling the dispute ; pointed out that an inquiry into questions of fact, which it would have been difficult to carry out without Russia's concurrence, would have been indispensable ; and laid down the principle that it could not express an opinion on a dispute which had in fact arisen between a Member of the League and a state not a Member without the consent of

the latter. Thus the League found itself unable to proceed in the question of East Karelia ; but on the 18th September, 1923, during the Fourth Session of the Assembly, the Finnish delegation declared that the Finnish Government maintained its right to consider the relevant clauses of the Dorpat Treaty and the supplementary declaration as agreements of an international order.

3. Poland and Her Neighbours

(*a*) *The Situation of Poland and Lithuania*

In the strict geographical sense, Finland, Esthonia, and Latvia were not the only Baltic states derived from the Russian Empire. Lithuania and Poland also possessed short seaboards on the Baltic—Lithuania just to the north of Memel and Poland just to the west of Danzig—but these two countries could not be regarded primarily as Baltic states or exclusively as states derived from Russia. Both of them were essentially inland states, and the access to the Baltic which they had obtained by the redrawing of the map of Eastern Europe on the basis of linguistic nationality was inadequate to their economic needs. Lithuania required an additional outlet at Memel and Poland at Danzig ; and the fact that the nationality of Memel and Danzig was not Lithuanian or Polish but German created the difficult problems, relating respectively to these two ports, which are dealt with in subsections (*c*) and (*d*) below. Again, the problems of the Memel and Danzig enclaves were not merely local in character, for these territories inhabited by German populations had also previously belonged to the German Empire. Thus, if Lithuania and Poland, like the three Baltic states derived from Russia, had to fear the revival of Russian power on their eastern front, they were also threatened on the west by the possible revival of Germany, and their newly-won independence could hardly survive a hostile combination on the part of these two temporarily disabled Great Powers, such as was foreshadowed on the 16th April, 1922, in the Treaty of Rapallo.[1] Hemmed in as they were between Russia on one side and Germany on the other, they had as strong an external motive as Esthonia and Latvia for holding together, and this immediate common interest had its counterpart in a common

[1] See I (ii), p. 30, above.

historical tradition; but unhappily these considerations did not prevent the complete estrangement of the two countries, during the period under review, over the delimitation of their frontier. This controversy is dealt with below in subsection (*b*).

The acute friction between Poland and Lithuania during the years 1920 to 1923 reacted unfavourably on the relations of Lithuania with the Principal Allied Powers, under whose special protection Poland was thought to be. Though the Soviet Government confirmed the Lithuanian claim to independence by the Treaty of Suvalki on the 12th July, 1920, formal recognition by the Allies was not given till the end of 1922, and during these two and a half years the whole external history of Lithuania turned on a prolonged struggle for territory—a misfortune which the three Baltic states were spared. This struggle, moreover, had an unfortunate effect on the internal condition of the country, since disappointed national hopes aroused an acute national spirit and threw undue influence into the hands of extremists who aimed at influencing the Government by terrorism. Confronted on one side by Polish hostility and the difficulties experienced in its relations with the Principal Allies and on the other by something like a Fascist movement at home, the Lithuanian Government found great difficulty in maintaining its position. Partly for this reason Lithuania's relations with Soviet Russia during this period were more friendly than those of her three northern neighbours.[1] In fact, it looked as though the Bolsheviks hoped to be able to use Lithuania and Lithuanian territorial claims as a means for stirring up difficulties both for Poland and for the Allies. The history of Lithuanian relations during these four years with Poland and with the Principal Allied Powers respectively may be summed up in two words—Vilna and Memel—and some account of these two problems is given below, as has been mentioned already, in subsections (*b*) and (*c*). In the international relations of Poland, on the other hand, the Vilna controversy was only one incident—though her conduct of it was unfortunately characteristic of her general foreign policy at this time.

[1] It is to be noted that whereas Finland, Esthonia, and Latvia each bordered directly on Soviet Russia and were exposed to all the inconveniences which this immediate contiguity involved, Lithuania was isolated from Russia, after General Zeligovski's occupation of Vilna and the settlement of the Polish-Russian frontier in the Treaty of Riga, by a corridor of Polish territory stretching up to the southern frontier of Latvia on the Dvina.

(*b*) *The Controversy over the Polish-Lithuanian Frontier* [1]

The boundary dispute between Poland and Lithuania which broke out in 1920 added a new controversy to the troubles of Eastern Europe. Prior to the Third Partition of 1795, the territories inhabited by Polish and Lithuanian populations had constituted politically a single unit; their political union had been voluntary and gradual; [2] and it had been accompanied by an equally voluntary and gradual 'Polonization', in the social sense, of the Lithuanian governing class. Even the linguistic barrier had survived only among the politically unselfconscious peasantry, and was to some extent neutralized by the stronger bond of their common Roman Catholic religion, which they also shared with the White Russian peasantry in the district of Vilna. The city of Vilna, which had been the capital of Lithuania before the Union, had afterwards become a local centre of Polish culture. The separate consciousness of Lithuanian nationality on a linguistic basis, like so many European national movements of this character, only grew up during the nineteenth century, when the Poles and Lithuanians, though the former were largely and the latter almost entirely under Russian rule, were politically isolated from one another; [3] but this made the conflict all the more acute when the Polish and Lithuanian nations emerged as separate entities from the ruins of the Hapsburg, Hohenzollern, and Romanov Empires. The Poles, who had expected the Lithuanians to return voluntarily to the situation of 1795, resented their newly-differentiated nationalism, while at the same time they coveted the outlet across Lithuania to the Baltic as an alternative to the Danzig corridor.[4] The Lithuanians resented even more bitterly the Polish attitude towards themselves, and feared that the Poles would attempt to use their superior military strength and their special diplomatic influence

[1] Almost all the relevant documents up to date are printed in *L. N. O. J.*, Special Supplement No. 4, December, 1920. See also *The Lithuanian-Polish Dispute*, published by the Lithuanian Government in 1922 (3 volumes, obtainable from the Lithuanian Information Bureau, 10 Palace Gate, London, W. 8).

[2] Personal union of the crowns in A. D. 1386, constitutional union of the two states themselves in A. D. 1569.

[3] Even during the rare intervals between the years 1795 and 1918 when a mutilated and incompletely independent Polish state was re-established (e. g. the Duchy of Warsaw 1807–14 and the Kingdom of 'Congress Poland' 1814–30), it never included more than a small corner of Lithuania.

[4] See III (ii) 3 (*d*) below.

with the Principal Allied Powers in order to force upon Lithuania the Polish conception of Polish-Lithuanian relations.

On the 8th December, 1919, the Supreme Council in Paris laid down a provisional eastern frontier for Poland, the so-called ' Curzon line ', which followed linguistic boundaries as closely as was permitted by the very mixed character of many of these border districts and the doubtful validity of some of the available statistics of population.[1] The northern sector would have formed the frontier between Poland and Lithuania, and this frontier would have excluded from Poland not merely the insignificant Polish minorities in a long corridor extending north-eastwards through and beyond Vilna, but also the substantial Polish minority in the city of Vilna. For the moment the potential problem thus created remained in abeyance ; the ' Curzon line ' was only provisional, and Polish forces were almost everywhere in occupation of territories far to the east of it, including at this time the district of Vilna itself. The district of Vilna had a very chequered history both during and after the War of 1914. It was occupied in 1915 by the Germans, who, on their retreat in November, 1918, handed it over to the Lithuanians. The Lithuanians promptly established Vilna as their capital and convened a National Assembly there ; but their tenure of power was short-lived, for in January, 1919, they were driven out by the Bolsheviks. The Poles then captured the city in April, 1919, and remained in possession until the July of the following year, when it was retaken by the Bolsheviks in the course of their great advance into Poland.[2]

Russian diplomacy caught at this opportunity of securing Lithuanian support, and on the 12th July, 1920, a Peace Treaty was signed at Moscow between the Soviet Government and Lithuania which provided, among other things, for the cession of Vilna to Lithuania.[3] In accordance with this Treaty the Bolsheviks handed over Vilna City and the greater part of the province to the Lithuanians. In August, however, the fortunes of the Russo-Polish War changed completely ; the Russian retreat brought the Lithuanians for the first time into direct contact with the victorious Poles ; and a collision between Polish and Lithuanian troops actually took place in the neighbourhood of Suvalki.

In consequence of this skirmish the Polish Government appealed

[1] See map 2 ; also *H. P. C.*, vol. vi, p. 275.
[2] See *H. P. C.*, vol. vi, p. 308.
[3] For the portions of the text relating to Vilna, see *L. N. O. J.*, Special Supplement No. 4, December, 1920, pp. 12–13.

to the League of Nations on the 5th September against Lithuania's 'act of aggression'. Though Lithuania was not yet a Member of the League, she accepted the obligations of Membership for the purposes of this dispute, and eventually agreed to recognize the 'Curzon line' provisionally as the frontier between herself and Poland. This step involved a sacrifice of her claims under the Moscow Treaty in the Suvalki sector, but on the other hand it strengthened her title to the more important territories coveted by Poland to the east of the 'Curzon line' which the Moscow Treaty had assigned to Lithuania. Poland, on her side, now undertook to respect these territories as neutral so long as their neutrality was equally respected by the Russians. Both Governments agreed at the same time to refrain from further hostilities, and consented to the appointment by the Council of a Military Commission of Control to secure the respective withdrawal of the Polish and Lithuanian forces to the limits thus assigned to them. Under the auspices of this Commission, Polish and Lithuanian representatives signed at Suvalki on the 7th October an armistice convention providing for a line of demarcation between the respective forces. The line laid down corresponded closely with the 'Curzon line' in the Suvalki sector, and then turned eastwards until it struck a point on the Lyda–Vilna railway, leaving the city of Vilna many miles away on the Lithuanian side. This agreement [1] was timed to come into force on the 10th October, but on the previous day General Zeligovski, an independent Polish commander, drove the Lithuanians out of Vilna City and reoccupied the greater part of the province for the Poles. His action was feebly disowned by the Polish Government, but the city remained from that moment onwards in Polish hands.

This *coup de main* not only violated the Suvalki agreement, which the Poles had signed, but flouted the authority of the League and of its Commission. Powerless to meet force with force, the Council of the League could only summon the two parties once more to Geneva. The Lithuanians protested vehemently against the action of General Zeligovski; the Poles somewhat cynically argued that it was a *fait accompli* with which they could not interfere, and that in any case it fell outside the scope of the original dispute referred by them to the League. On the 28th October the Council decided, on the report of M. Hymans (Belgium), that the destiny of the Vilna area should be determined by a plebiscite to be held under the

[1] Text published in *L'Europe Nouvelle*, 7th April, 1923.

auspices of the League, and on the 8th November both Governments accepted this proposal. It was clear that no plebiscite could be taken unless the district were first evacuated by General Zeligovski and taken over by a neutral army of occupation, and during the winter of 1920–1 strong efforts were made to collect a mixed international force for the purpose. Once again, however, the League found itself unable to execute a decision which could not be realized without the assistance of armed forces. Few nations were prepared to contribute contingents to a mixed army which was to be sent to this obscure and isolated corner of Europe to face an unknown population, a possibly recalcitrant Polish General and, in the background, the darker menace of Soviet Russia. Disputes, moreover, arose regarding the other conditions of the plebiscite, and on the 3rd March, 1921, the Council decided to abandon the plebiscite in favour of direct negotiations between the Poles and Lithuanians, under the presidency of M. Hymans, as the League's representative.

The next phase lasted from March, 1921, to January, 1922. M. Hymans exhausted his patience and that of the League in constant and untiring efforts at conciliation. His plan was to promote a general *rapprochement* between the two states as a line of approach towards the local dispute over Vilna. The policy followed by him was to induce Poland, in return for a permanent military and economic alliance with Lithuania,[1] to agree to the incorporation of Vilna in Lithuania as a separate autonomous canton subject to special guarantees ; but the time was not propitious for negotiations. The Lithuanians, exasperated beyond measure by the Zeligovski *coup* and by the failure of the League and of the Allies to take any effective counter-measures, were in no mood to listen to counsels of reason and moderation ; while the Poles, whose ambitions were almost completely realized by the *status quo*, were unlikely to budge without some stronger inducements than M. Hymans was in a position to offer. All his proposals[2] were rejected by either one or both of the parties concerned, and finally, on the 13th January, 1922, the Council announced that the procedure of conciliation instituted in the previous March had reached its term and that the now useless League Commission at Vilna would be withdrawn.

[1] Among other things the utilization of the port of Memel and the waterway of the Niemen was to be specifically secured to Poland. For this question see III (ii) 3 (*c*) below.

[2] These proposals may be studied in detail in *L.N.O.J.*, May, September, October, and November, 1921.

By this decision the Council virtually resigned the Vilna problem as insoluble by any method open to the League and left events to take their course. The Vilna question was on the agenda on several occasions during 1922, and in the autumn the Spanish Consul-General in Brussels was sent out on behalf of the League to investigate the position once more on the spot ; but no progress could be made, and he could only recommend a definite, though provisional, line of demarcation based on the *status quo*, on either side of which the civil administration should be taken over respectively by the Polish and Lithuanian authorities. This recommendation, which was adopted by the Council on the 3rd February, 1923, was, of course, at once accepted by Poland and rejected by Lithuania.

The Poles had now been in possession of Vilna for more than two years ; they had already organized there a local Diet which, in the circumstances, could only be of a Polish complexion ; and they calculated that the time was ripe for obtaining from the Powers an official recognition of their gains. On the 15th February, 1923, the Polish Government appealed to the Conference of Ambassadors and found that their calculation was correct. Every one was weary of the controversy and the Allied Powers represented on the Conference were unlikely to court disaster by proposing any solution which required for its application the use of armed force. On the 15th March the Conference, in virtue of Article 87 of the Treaty of Versailles, laid down in detail the frontiers between Poland on the one hand and Russia and Lithuania on the other.[1] As between Poland and Russia they simply recognized the line already traced and delimited by the two parties ' on their own responsibility ' on the 23rd November, 1922.[2] As between Poland and Lithuania, they confirmed the ' Curzon line ' in the Suvalki district, between the East Prussian frontier and the Niemen, while between the Niemen and the Dvina they laid down a definitive frontier which approximately coincided with the provisional line of demarcation recommended by the Council of the League on the previous 3rd February. Basing their action on ' the *de facto* situation resulting from ' that recommendation and thus seeking to invoke the authority of the League in support of their decision, the Conference of Ambassadors awarded to Poland the district which had been

[1] See *H. P. C.*, vol. vi, p. 283 ; and, for the text of the decision, *L'Europe Nouvelle*, 7th April, 1923.

[2] In pursuance of the Treaty of Riga, which has been dealt with in *H. P. C.*, *loc. cit.*

lawlessly occupied by General Zeligovski nearly two and a half years before.

The Lithuanian Government refused to accept this award and continued to regard itself as being in a state of war with Poland ; but it had weakened its position by having requested the Principal Allied Powers on several occasions, notably on the 18th November, 1922,[1] to intervene in its favour in virtue of the Versailles Treaty, Article 87, which it had thus appeared to recognize by implication ; and it had also alienated the Council of the League by attempting to arraign it before the Permanent Court of International Justice. At a meeting of the Council on the 21st April, 1923, the representative of Lithuania contended that the Ambassadors' decision was incompatible with the principles previously laid down by the Council ; but the Council took the view that both parties had admitted the Ambassadors' competence to settle their dispute, and declined to submit its resolution of the 3rd February to the Permanent Court for an opinion on its legality. Lithuania raised both questions once again during September, 1923, in the Fourth Assembly, but the only result was an adjournment of the discussion to the following year.

Thus, by the close of 1923, the long-drawn-out controversy over the Vilna district seemed to have been brought to an end ; the *de facto* situation created by General Zeligovski's high-handed act had been endorsed and regularized by the Allied Powers, and Lithuania was not in a position to alter it by force of arms. The events above narrated aroused so much feeling and controversy at the time that there was a tendency to forget the original basis of the dispute, that is, the respective Polish and Lithuanian claims to the Vilna district ; and the just criticisms levelled against some of the methods employed by Poland were sometimes taken to imply endorsement of the Lithuanian case. It may therefore be appropriate to add a brief note on the respective merits of the two claims.

From the standpoint of linguistic nationality, the Lithuanian claim to Vilna was unfounded. The Lithuanian element in Vilna City was negligible, and there was only a single district (Troki) in the whole province which showed a clear Lithuanian majority.[2]

[1] This occasion was referred to by the Conference of Ambassadors in their decision of the 15th March, 1923.

[2] The only fairly reliable figures of population were those of the Russian census of 1897. These were necessarily out-of-date but seemed free from bias. Subsequent attempts at enumeration (Russian, German, and Polish)

The references by the Lithuanians to the City of Vilna as their ancient capital related to an historic Lithuania which had little or no resemblance to Lithuania as it emerged after the War of 1914. Juridically, however, their claim had a far more solid foundation, for the territory had unquestionably been under Russian sovereignty and was ceded to Lithuania by the Soviet Government (which, however, at the date of cession, i. e. the 12th July, 1920, had not been recognized by any of the existing Great Powers as the *de jure* Government of Russia).[1]

The Polish claim rested, in point of nationality, upon the fact that the Polish element was larger than the Lithuanian element in Vilna City—where, however (as in many Polish towns), the Poles themselves were outnumbered by the Jews. Throughout the rest of the province the Polish population was numerically insignificant, though it included a larger proportion of the landowning class. Juridically, the Polish claim rested on the decision of the Conference of Ambassadors, which was based on the provision in the Treaty of Versailles (Art. 87) to the effect that ' the boundaries of Poland not laid down in the present Treaty will be subsequently determined by the Principal Allied and Associated Powers '.

In the case of Vilna, as in that of Bessarabia,[2] it is difficult to avoid the conclusion that the Allied Powers had placed themselves in a difficult legal position by making over to a third party former Russian territory of which they had no apparent right to dispose.

(c) *The Status of Memel*

While in all other cases, save that of Danzig, territory ceded by Germany under the Treaty of Versailles either passed direct to another Power or was subject to a plebiscite, the ultimate fate of Memel was left in suspense. At the Peace Conference suggestions

were all incomplete and were also made in order to support particular theses. The 1897 figures gave the following approximate percentages :

Russians.	White Russians.	Poles.	Lithuanians.	Jews.	Others.
		For the Province of Vilna including the City			
5·00	56·05	8·18	17·59	12·72	0·46
		For the City of Vilna			
20·50	4·20	30·90	2·00	40·30	2·10

[1] By the Preliminary Treaty of Riga of the 2nd October, 1920, the Soviet Government recognized the rights of Poland over territory lying to the east of the district of Vilna ; but this was not incompatible with their previous cession of the Vilna district to Lithuania, and cannot be held to have annulled the rights of Lithuania under the Treaty of the 12th July, 1920.

[2] See III (ii) 4 below.

had been made for separating from Germany a considerable tract of territory on both sides of the river Niemen and giving it to an enlarged Poland which, as it was thought at that time, might include Lithuania. Eventually the more ambitious proposals were rejected and it was determined that all territory west of the river should be left to Germany. There remained a narrow strip of territory, about seventy miles in length and varying from ten to twenty miles in breadth, on the right bank of the river, which had belonged to the Kingdom of Prussia as part of its inheritance from the Knights of the Teutonic Order; and by Article 99 of the Treaty of Versailles Germany renounced her sovereignty over this territory in favour of the Allied and Associated Powers, and undertook to accept the settlement eventually made by them, 'particularly in so far as concerns the nationality of the inhabitants'. As was shown in the correspondence with the German delegation, the reason for this arrangement was that at that time the future extent of Lithuanian territory had not been settled. It seems, that is, to have been the intention of the Conference to assign this district to Lithuania, but this could not be done until the new state of Lithuania had been completely established and had received full recognition from the Allies.

The district owed its importance entirely to the fact that it controlled the right bank of the river Niemen, which was an important channel of trade, the town of Memel being a considerable timber port. If there was to be an independent state of Lithuania, it might be argued with much reason that the possession of the port of Memel would be essential to its prosperity and almost to its existence. This was, indeed, the only justification for separating the district from Germany, for though there seems no doubt that a large majority of the agricultural population was Lithuanian by race and origin (in fact, about half of them still used the Lithuanian language), the town of Memel itself, with a population of about 25,000, was almost entirely German. The situation was indeed similar to that in the adjoining states detached from the Russian Empire. Memel, like Riga and Reval, had been established as far back as the thirteenth century as a German trading station; but the agricultural population had not been fully Germanized, notwithstanding the fact that it had come under the successive German sovereignties of the Teutonic Knights, the Electorate of Brandenburg, the Kingdom of Prussia, and the German *Reich*.

In accordance with the Treaty, the Allies took over the govern-

ment of Memel from Germany as soon as ratification had taken place. A French national was appointed as High Commissioner to administer the territory in the name of the Allied Powers, and three companies of French troops were sent out. This form of government continued, contrary to general expectation, for three years, the delay in effecting a final settlement being presumably due to the delay of the Allied Powers in giving official recognition to the Lithuanian Government.

During these three years the history of the town and district was uneventful. Generally speaking, comparatively few changes were made. The administration continued to be German in character and was carried on by German officials under the French Commissioner. The town prospered, and a feeling seems to have arisen that it might be better not to hand it over eventually to Lithuania in full sovereignty, but to make it, like Danzig, a self-governing territory, though with special relations to Lithuania.[1] In consequence, serious alarm began to be felt in Lithuania lest the loss of Vilna might be capped by a decision of the Allies to deprive her of Memel. This would be a very serious matter for Lithuania, for, as has been seen, Memel was her only possible port and, if it were not in her hands, she would have no control over her own foreign trade. There was also undoubtedly a fear that a self-governing Memel might come in some way under Polish influence. The Poles clearly hoped that they might succeed in obtaining control of the port so as to provide an alternative outlet to the sea, as they were not satisfied with the arrangements at Danzig.

During the autumn of 1922 the Conference of Ambassadors began to consider the future status of the Memel district, and the Lithuanians seem to have had reason to fear that the decision of the Conference might be adverse to their claims. In consequence the Lithuanians, both in Kovno and in Memel, made up their minds to imitate the example of the Poles. The seizure of Vilna by Zeligovski, which had been so successful, seemed to show that direct action might in the long run succeed where diplomatic representations failed. In the first days of January, 1923, a rising in the territory of Memel was organized by a considerable number of Lithuanians, who crossed the frontier from the Lithuanian side ; they appealed for help to Kovno, and the rising was immediately followed by an

[1] Compare the situation which arose, during the same period, in Western Thrace owing to a similar prolongation of a provisional Allied administration. (See III (iii) 8 below.

invasion of Lithuanian troops. The French garrison, which consisted of only about 200 men, was greatly outnumbered and fell back on the town. On the 15th January, the Lithuanians entered the town and after some street fighting the French garrison surrendered. The Lithuanians occupied the town and set up a provisional Government.

This bold stroke placed the Allies in a very difficult position. It happened just at the time when the French were preparing for the invasion of the Ruhr, and neither they nor the British Government were prepared to send out the considerable number of troops which would have been necessary to restore Allied authority. In consequence they took refuge in negotiation. A British cruiser and a French gun-boat were sent to the port and an inter-Allied commission was appointed by the Conference of Ambassadors to investigate the situation on the spot. At the same time strong protests were addressed to the Kovno Government. Eventually, on the 15th February, an agreement was reached at Memel, which registered the acquiescence of the Principal Allied Powers in the situation created by the Lithuanian *coup de main*. A new Government was set up which was almost entirely Lithuanian ; the French High Commissioner and troops were withdrawn ; and from this time onwards Memel was practically under Lithuanian administration. The whole arrangement was intended to be purely provisional, pending the final decision regarding the status of the territory which was to be made by the Conference of Ambassadors.

On the 16th February, 1923, the Conference of Ambassadors adopted proposals for a permanent settlement which they immediately communicated to the Lithuanian Government. These proposals were that the juridical sovereignty over Memel, which was still in the hands of the Allies, should be transferred to Lithuania, but that Memel should be constituted an autonomous area with popular representation and with institutions providing for complete equality between the two races, German and Lithuanian, by which it was inhabited. There was to be full liberty of transit for both Poland and Lithuania, by river and by land, a free zone in the port, and guarantees to both countries of all facilities for their commerce. As soon as Lithuania had accepted these conditions, the Conference of Ambassadors was to draw up a statute for the government of the territory and to conclude a convention with Lithuania in accordance with this decision. As the result of considerable pressure, the Lithuanian Government accepted these proposals on the 14th March.

The Conference of Ambassadors then proceeded to draft the proposed convention and statute. This caused much difficulty, and in September, 1923, after many months of negotiation, the Lithuanian Government refused to accept the draft presented to them, on the ground that it was inconsistent with the note of the 16th February. The chief point at issue was the arrangement proposed for the control of the port. In particular the Lithuanians refused to accept the proposal for giving to Poland a share in the management of the port and a special zone which would be entirely under Polish control. Their treaty with the Soviet Government was represented by them as a reason for rejecting a clause under which military supplies could be transported to Poland, in time of war, through Lithuanian territory. Moreover, on the ground that they were still in a state of war with Poland, the Lithuanian Government refused the demand that free transit for Polish timber should be permitted across Lithuanian territory.

The question had therefore reached a deadlock, and at the end of September, 1923, it was referred by both parties to the League of Nations. On the 19th December the League Council appointed a special commission under the chairmanship of Mr. Norman Davis, a private citizen of the United States, to investigate the situation. After a visit to Memel itself and also to Kovno and Warsaw in February, 1924, the Commission suggested certain alterations in the draft convention, which in the main met the objections raised by Lithuania. The port was to be administered by a Harbour Board composed of three members, one representing Memel and one the Lithuanian Government, while the third, who was not to be a national of any riparian state of the River Niemen, was to be nominated by the Chairman of the Advisory and Technical Committee for Communications and Transit of the League of Nations. The most thorny question was the transit of Polish timber ; but the Lithuanian delegation were with much difficulty induced to give an undertaking that, once the convention had been signed, they would not use the alleged state of war between their country and Poland as a reason for refusing facilities for the floating of Polish timber down the Niemen.

The convention in its revised form was eventually accepted on the 15th March, 1924, by the representatives of Lithuania and of the four Principal Allied Powers at Geneva. Reservations were made by the Polish representative, and the convention was later the subject of vigorous protests in the Polish Diet ; but as Poland

was not a signatory and had no *locus standi* juridically, these *démarches* remained without effect.

The convention[1] was signed by representatives of the Allied Powers in Paris on the 7th May, 1924, and by the Lithuanian representative on the 17th May.[2]

(*d*) *The Status of Danzig*[3]

The Peace Conference of Paris had been confronted with no problem more difficult than that of Danzig. On the one hand there was a unanimous demand by the whole Polish nation for the cession to Poland of a city which had been under Polish suzerainty for many hundred years and which also contained the only convenient and important port for Polish commerce. On the other hand, the Germans protested with equal vigour against transferring to Poland a city of some 200,000 inhabitants, of whom 97 per cent. were German. The Peace Conference settled the difficulty by an ingenious solution which at the same time constituted a remarkable new experiment in government.

The text of the Treaty of Versailles, however, only laid down in broad outline the main features of the settlement ; all the details were left for future arrangement ; and, until these had been determined, the city and territory were to remain under the control of the Principal Allied and Associated Powers, to whom the sovereignty was surrendered by Germany under Article 100. As soon, therefore, as the Treaty came into force it was necessary for the Allies to provide for the immediate government and administration of Danzig. For this purpose Sir Reginald Tower, one of the senior Ministers in the British diplomatic service, was sent out as administrator ; and two battalions of Allied troops, one French and one British, were stationed at Danzig, under the command of General Sir Richard Haking. Sir Reginald Tower was also appointed by the League of Nations as their High Commissioner ; but his role as High Commissioner was necessarily subordinate to his functions as Allied administrator so long as sovereignty over the territory

[1] Published as a British White Paper, *Cmd.* 2235 of 1924.

[2] A publication of the Lithuanian Ministry for Foreign Affairs entitled *The Question of Memel* (London, 1924, obtainable from the Lithuanian Information Bureau) contains diplomatic and other documents from 1919 to 1923.

[3] The history of the Marienwerder and Allenstein plebiscites, the former of which had some bearing on the question of Danzig, has been given in *H. P. C.*, vol. ii, Ch. IV, Part 2, and vol. vi, Ch. II, Part 2, § 10.

remained with the Allied Powers. The Allied administration lasted just over nine months, from February to November, 1920. The actual work of administration was left in the main to the existing German Burgomaster, Herr Sahm, and to a council composed of representatives of all the various political parties in the territory, including a communist and a member of the Polish minority. Sir Reginald Tower presided over the meetings of this council, which was nominated by him, but he did not attempt to interfere unnecessarily in the details of government. His intervention was seldom called for, except in negotiations with the Polish Government or for the purpose of protecting Polish interests in Danzig ; but this was no light task, since Polish demands were extensive, while the spirit in which they were met on the part of Danzig was seldom accommodating.

The work to be done before the Free City could be constituted formally and the new system brought into operation was twofold : the constitution must be drafted and placed under the guarantee of the League of Nations ; and the Treaty between Poland and Danzig, which was provided for in Article 105 of the Treaty of Versailles and by which future relations between the two states were to be governed, must be negotiated and signed.

The drafting of the constitution was the work of a Constituent Assembly, elected by universal adult suffrage throughout the territory in May, 1920. The constitution, as drafted by this Assembly, was forwarded by Sir Reginald Tower, in his capacity as League of Nations High Commissioner, to Geneva ; and on the 17th November, by a resolution of the League Council, it was placed under the guarantee of the League. The Council asked at the same time for certain not very important amendments in the constitution ; the discussion of these with the Danzig Government was prolonged ; and it was not till May, 1922, that the High Commissioner was at last authorized to give his consent to the constitution in its final form. The legislative authority, as eventually constituted, was an Assembly or *Volkstag* of 120 members, elected by universal adult suffrage. The most notable feature in the constitution was the Senate, which was to perform the functions not of an Upper Chamber but of a Cabinet. It was composed of eight ' principal ' Senators (including the President) who were to be elected by the Assembly for a term of four years and to be irremovable during that period, except by impeachment before the High Court for breaches of the law or constitution ; and of fourteen

'secondary' Senators, who were to be elected by the Assembly for an indefinite term, to be responsible to it throughout their tenure of office, and to resign on a vote of non-confidence. The Senate collectively represented the Free City in all international matters, in so far as these were not conducted on her behalf by Poland; and the President of the Senate acted, in practice though not in theory, as head of the state.

The more complicated and important task of negotiating the Treaty between Poland and Danzig was entrusted by the Treaty of Versailles to the Allied Powers. It soon became clear that no progress would be made by direct discussions between the two parties, and in the autumn of 1920 the Conference of Ambassadors undertook the work, assisted by special delegations from Warsaw and Danzig. Most of the provisions of the Treaty followed closely the lines laid down in the Treaty of Versailles. Danzig was to be included in the Polish customs area and Polish tariffs and customs legislation were to be applied; there was to be no discrimination against Polish nationals or against Danzig nationals of Polish origin or speech; Poland was to undertake the conduct of the foreign relations of Danzig as well as the protection of its nationals abroad; relations between Danzig and Poland were to be conducted through a Polish diplomatic representative stationed at Danzig, but there was no provision for the diplomatic representation of Danzig at Warsaw. The whole arrangement was placed under the protection and guarantee of the League of Nations, and there was to be resident at Danzig, with the title of High Commissioner, a representative of the League of Nations whose duty it would be to act as mediator in all difficulties and disputes which might arise. There was, however, an appeal from his decision to the League of Nations itself.

While in these points the new Treaty closely followed the provisions laid down by the Treaty of Versailles, in one important matter it went outside them. The Treaty of Versailles required that the new Treaty should 'insure to Poland without any restriction the free use and service of all waterways, docks, basins, wharves, and other works within the territory of the Free City necessary for Polish imports and exports', and should also insure to Poland the right 'to develop and improve' the port. The new Treaty placed the whole of the port under the control of a Port and Waterways Board, composed of five Polish and five Danzig representatives, with a neutral chairman appointed (in default of agreement between

the parties) by the League of Nations. On this body rested the obligation of insuring that the rights and interests of Poland in the port of Danzig should be adequately provided for and safeguarded. The railways connected with the port were also placed under the control of this Board.

The draft Treaty, as approved by the Conference of Ambassadors, was formally communicated to the Polish and Danzig representatives on the 21st October, 1920. Certain minor modifications were made by consent between the two parties, and it was finally signed in Paris on the 9th November.[1] It did not require ratification and came automatically into force as soon as the Free City was constituted.

Meanwhile, on the 27th October, the Conference of Ambassadors, in the name of the Principal Allied Powers, had signed an Act constituting the Free City and transferring to it the sovereignty over the territory ceded by Germany under Article 100 of the Treaty of Versailles. This Act was also signed by the Danzig plenipotentiaries on the 9th November, simultaneously with the Polish-Danzig Treaty, and the Free City came into being on the 15th November, 1920.

On the 15th November, therefore, the Allied administration came to an end, and the Allied troops were at once withdrawn; Sir Reginald Tower gave up his position not only as Allied Administrator but also as League of Nations High Commissioner; and in December the League appointed General Haking as their first regular High Commissioner. In February, 1923, he was succeeded by Mr. MacDonnell, an Irishman formerly in the service of the Egyptian Government. Throughout this period Herr Sahm had discharged, with marked tact and ability, the functions of President of the Senate and head of the state.

One further task remained for the Allied Powers to perform in Danzig after the creation of the Free City—the distribution of former German state property which, under Article 107 of the Treaty of Versailles, was to pass either to Poland or to Danzig. By the Polish-Danzig Treaty of the 9th November, 1920, the Port and Waterways Board became a party entitled to receive that portion of the state property which was connected with the port,

[1] The principal documents regarding the negotiations are collected in a Green Book issued by the Danzig Senate in 1920. The Treaty bore the date of the 9th November, 1920, though as a matter of fact the Polish plenipotentiary, M. Paderewski, was at that time absent at Geneva and did not append his signature till some days later.

and the division therefore became tripartite. The task was entrusted to an Allied Commission, which began its operations in February, 1921; by March, 1922, its work was practically complete; but, owing to various delays, the document transferring the ownership of the property to Poland, Danzig, or the Port and Waterways Board was not finally signed till the 3rd May, 1923.[1]

In view of the extreme national animosity prevailing between the Germans and the Poles and of the severe disappointment which Polish hopes had suffered when Danzig was not ceded outright to Poland, it is not surprising that at times the feeling between Poles and Danzigers ran very high. Constant cases of dispute, which to a great extent turned on the interpretation of the Treaty,[2] arose during the first three years of the Free City's existence. Every one of these had first to be referred to the High Commissioner for his decision, and on a large number of them one side or the other appealed to the League of Nations, so that there was hardly a single meeting of the League Council until the end of 1923 in which some point in connexion with Danzig did not come up for consideration and decision. This procedure may, at first sight, appear clumsy; but in practice it was found distinctly useful. On many occasions, negotiations, which in Danzig or Warsaw had proved utterly abortive, were resumed with success in the calmer atmosphere of distant Geneva, and a settlement was reached without the Council having to give a decision at all. Where the Council was ultimately required to give a decision on these appeals, it was usually able simply to confirm the decision already given by the High Commissioner.

It would be quite impossible within a reasonable space to attempt to enumerate these questions, but broadly it may be said that the most frequent cause of controversy was the question of the control of the port. There was great friction on the Port and Waterways Board, and, as in many cases all the Poles voted on one side and all the representatives of Danzig on the other, deadlocks were frequent and the administrative work had practically to be carried on by the Chairman, a Swiss Colonel. The Poles constantly represented that these arrangements were not in strict accordance with the Treaty of Versailles, that they were such as to interfere with that free transit which was vital to Poland, and that the whole management of the harbour was ineffective. The people

[1] Issued as a White Paper, *Cmd.* 2204 of 1924.

[2] In October, 1921, Poland and Danzig signed a further treaty at Warsaw, and this likewise gave rise to frequent differences of interpretation.

of Danzig, on the other hand, suggested that the Poles were deliberately attempting to make the successful working of the new system impossible in the hope that, if it broke down, they might get the management of the harbour into their own hands.

Many questions also came up for decision regarding the status of Polish citizens resident in Danzig. The Poles claimed that such Polish citizens should have all the privileges of Danzig citizens except their political rights. The Danzig Senate, which was very apprehensive of an artificial importation of Poles into the city with the ultimate object of creating a Polish majority, denied the Poles any special rights (for instance, in connexion with the purchase of landed property) beyond those which belonged to other resident aliens.[1] There were also numerous minor points which arose regarding the administration of the customs, which was in Polish hands, and the local trade between Danzig and the adjoining territory.

At the beginning of 1923, for some reason which is not apparent, the friction threatened to reach a dangerous pitch; a new High Commissioner had just been appointed; and there were rumours, which were certainly exaggerated and possibly without much foundation, that the Poles intended by a sudden stroke to seize the city. At the same time a number of complicated questions were presented to the High Commissioner for his decision, and on the 4th June he referred to the Council of the League the whole question of his competence, which had been called in question by the Polish Government; while on the 20th June the Polish Government referred to the League the general question of the differences which had arisen between Poland and Danzig. The crisis, however, passed over rapidly; the whole situation was discussed by the Council during its session in July; the Poles, probably owing to French advice, withdrew many of their demands; and negotiations between the two parties on outstanding points were opened. The High Commissioner received the full support of the League and his position was therefore confirmed.

[1] Compare the safeguards in this matter which were secured to the Aaland Islanders (III (ii) 2 (*c*) above).

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(*e*) *The Polish-German Negotiations arising out of the Partition of Upper Silesia*

The history of the Upper Silesian question down to the 12th October, 1921, and the text of the recommendation to the Supreme Council of the Allies which was made on that date by the Council of the League of Nations, will be found in the *History of the Peace Conference*;[1] but while this recommendation, which was adopted on the 20th October, 1921, by the Conference of Ambassadors, disposed of the question in so far as the Principal Allied Powers were concerned, it opened up a vast field of intricate practical problems to be solved by Poland and Germany as a consequence of the partition of so highly organized an industrial area. In the Council's recommendation this field of negotiation had been provided for as follows:

> The measures which the Council considers necessary in order to ensure the continuity of the economic and social existence of Upper Silesia and to reduce to a minimum the inconveniences of the period of re-adjustment are chiefly designed with the following objects:
>
> To preserve, for a certain time, for the industries of the territory

[1] Vol. vi, Ch. II, Part 2, § 10 (*f*) and Appendix III.

separated from Germany, their former markets, and to ensure the supplies of raw material and manufactured products which are indispensable to these industries; to avoid the economic disturbances which would be caused by the immediate substitution of the Polish mark for the German mark as the sole legal currency in the territory assigned to Poland; to prevent the working of the railways serving Upper Silesia from being affected by the shifting of the political frontier; to regulate the supplies of water and electricity; to maintain freedom of movement for individuals across the new frontier; to guarantee respect for private property: to guarantee, as far as possible, to the workers that they shall not lose, in the portion of territory assigned to Poland, the advantages which were secured to them by German social legislation and by their Trades Union organization; and, finally, to ensure the protection of minorities on the basis of an equitable reciprocity.

The solution of these problems should be achieved by means of arrangements effected under the form of a general Convention between Germany and Poland.

The Council had further recommended that the transitional period should run for fifteen years.

By the beginning of November, 1921, Germany and Poland had appointed their plenipotentiaries to negotiate the proposed Convention; on the 14th November the Council of the League appointed M. Calonder (former President of the Swiss Confederation) to preside; and, on his initiation, the plenipotentiaries met at Geneva on the 23rd. The Conference set up ten sub-commissions to deal with technical questions, which were to do their work in Upper Silesia and to be staffed, as far as possible, from the population of the Plebiscite Area; one sub-commission on minorities which was to sit at Geneva; and a twelfth sub-commission for the creation of two joint permanent Polish-German organs—an Upper Silesian Mixed Commission to supervise the execution of the Convention when negotiated, and a Court of Arbitration to settle disputes between private German and Polish nationals arising out of the new régime.[1] In case of disagreement it was recognized that M. Calonder was to have the last word.

After the sub-commissions had sat for two months, the full Conference met again at Geneva on the 18th February, 1922, and appointed a drafting committee.[2] Notwithstanding difficulties both of substance and of drafting, only three questions remained unsettled by the 13th March; two of these were settled forthwith through

[1] The establishment of these two organs had been proposed already in the Council's recommendation of the 12th October, 1921.

[2] Under the presidency of an official of the League Secretariat representing M. Calonder.

M. Calonder's mediation; and, in regard to the third, concerning the liquidation of German private property in the territory transferred to Poland, which was the most difficult of the three, a direct agreement was reached—on the basis of suggestions put forward by M. Calonder—which made it unnecessary for the President to exercise his right of arbitration.

On the 15th May the Convention—which contained 606 Articles, and was more voluminous and more technical, if not more complicated, than the Treaty of Versailles—was signed by Polish and German representatives at Geneva;[1] Presidents of the Permanent Mixed Commission and the Arbitral Tribunal were appointed by the Council of the League; and, during the same session, the Council also placed the stipulations in the Convention regarding the protection of minorities under its guarantee, on the terms on which it had guaranteed the Polish Minorities Treaty of the 28th June, 1919.

These arrangements were the fruits of a notable co-operative effort to meet the economic and political difficulties involved in the Upper Silesian Award, and the extent of what had been achieved can best be conveyed by a quotation from the impressive speech which was delivered by M. Calonder to the German and Polish delegates at the final ceremony of signature.[2]

> Of all the questions whose solution was adjourned by the Treaty of Versailles, there was none more arduous, more painful or more formidable than that of Upper Silesia. To-day this question has been finally settled, and I rejoice to know that this work has been done wholly at Geneva. It was begun here last August by the Council of the League. A moment ago you here performed the final act. Who will say after this that European co-operation is impossible?

M. Calonder was careful, however, to sound a note of warning:

> Your Excellencies, [he said] the task of the Governments you represent is not yet over; nay, I will say more, it is only now beginning. This Convention will be powerless to settle the problems with which the population of Silesia is confronted if the authorities of this country and the population itself do not firmly resolve to make it succeed. The best of texts is useless if the men whose duty it is to interpret it do not do so in the spirit that its execution craves.

The President might have added that the time at the disposal of the parties for executing the Convention in this spirit was not

[1] It was ratified on the 3rd June, 1922, at Oppeln. The official French text, *Convention germano-polonaise relative à la Haute-Silèsie*, was published by the League of Nations (price 12*s.*); there is no edition in English.

[2] Text of the speech quoted in *The Political Activities of the League* (League of Nations Union Pamphlet No. 83).

unlimited, for, in the nature of the case, the arrangements made on the 15th May, 1922, were only provisional. They were based on the assumption that, by the time when they were due to expire (which differed in the case of different provisions), both Germany and Poland would have readjusted their national economy to the new territorial situation—Germany by finding an alternative source of supply for her metallurgical industries within her diminished national domain, and Poland by finding alternative markets for that portion of the produce of Upper Silesia which had formerly been absorbed by Germany. Considering that Upper Silesia had been the most important industrial district in Germany, next to the Ruhr, and that the new frontier had partitioned the district in such a way as to place Poland in possession of by far the greater proportion of its economic resources,[1] this readjustment was bound to be a formidable task, however long the period of grace allowed. During the years under review, the provisional maintenance of the former economic links under the new political conditions was artificially promoted by the Franco-Belgian occupation of the Ruhr Basin,[2] which began only eight months after the signature of the Polish-German Convention at Geneva, and which abnormally stimulated the demand of German industry for Upper Silesian coal. This postponed the evil day for Upper Silesia, but at the same time it was calculated to make the task of readjustment still more difficult when normal economic conditions were restored in Germany. The next phase of the Upper Silesian Question, however, lies outside the period with which this volume is concerned.

[1] 'The partition of Upper Silesia as carried out in 1921 placed Poland in possession of great industrial assets. Of sixty-seven coal-mines in Upper Silesia, fifty-three became hers; of a coal output in 1920 of 31·7 million tons, 24·6 million fell to her; of accumulated pit-head stocks totalling 60 million tons, 91·5 per cent. fell to her; of the sixteen Upper Silesian zinc and lead mines working, with a yearly output of 266,000 tons, eleven, with an output of 226,000 tons, or 70 per cent. of the total German zinc output, fell to her; of thirty-seven blast furnaces in Upper Silesia twenty-one fell to Poland; of fourteen steel and rolling mills, nine, and these the most efficient, went to Poland; finally the partition placed in Poland's possession every one of the zinc and lead foundries of the Upper Silesian Basin.' Quoted from an interesting article by C. E. Ellington Wright in the London *Nation*, 15th November, 1924, from which the other information in this paragraph is also taken.

[2] See *Survey of International Affairs for 1924*.

(*f*) *Poland, Rumania, and France*

The general outlook and policy of Poland during the years 1920 to 1923 have been discussed in the introductory note to the present section, while her particular relations with Russia, Lithuania, and Germany have been dealt with elsewhere—partly in preceding portions of this section and partly in the *History of the Peace Conference of Paris*.[1] These considerations explain the two important treaties of alliance which Poland negotiated, during this period, with Rumania and France.

Rumania had not the same reason as the three Baltic 'successor states' to hesitate in allying herself with Poland as an insurance against future danger from Russia. Whereas the Baltic States had all succeeded at an early date in negotiating Peace Treaties with the Soviet Government under which the latter recognized their new national frontiers,[2] Rumania entirely failed, throughout the period under review, to secure Russian recognition for her annexation of Bessarabia.[3] In fact, the attitude adopted in Moscow on this question gave the Rumanian Government cause to fear that Russia would attempt to recover Bessarabia by force of arms at the first opportunity. The Rumanian title to Bessarabia was thus even less secure, as far as Russia was concerned, than the Polish title to the White Russian and Ukrainian territories which, under the Treaty of Riga, had at least been ceded formally to Poland by the Soviet Government; so that, in concluding a defensive alliance on the basis of the territorial *status quo*, Poland, on the whole, would be committing herself to a greater risk on Rumania's behalf than Rumania on Poland's. A *rapprochement* with Poland thus possessed strong attractions for Rumania, and she was not deterred from it, like Latvia and the other Baltic States, by any ties of neighbourhood or kinship with Poland's victim Lithuania. Poland, on her side, was eager to secure the support of the second largest state along the Russian border, and negotiations ended in the signature of a defensive alliance on the 3rd March, 1921,[4] during the interval

[1] e. g. Russo-Polish relations down to the execution of the Treaty of Riga have been dealt with in *H. P. C.*, vol. vi, Ch. II, Part 2, § 12, and Ch. III, Part 2, § 9, and have therefore been passed over in the present volume. The history of the East Galician Question has likewise been omitted, since it has also been carried down to the decision of the Conference of Ambassadors on the 18th March, 1923, in *H. P. C.*, vol. vi, Ch. II, Part 2.

[2] See III (ii) 2 (*d*) above.

[3] See III (ii) 4 below.

[4] Text in *League of Nations Treaty Series*, vol. vii, reprinted in the Appendix to the present volume.

between the signature of the preliminary and of the definitive Russo-Polish Peace Treaties at Riga.

This Polish-Rumanian Treaty provided for mutual assistance in the event of an unprovoked attack upon either party on their eastern frontier (such attack *ipso facto* to place the other party in a state of war with the aggressor); for common diplomatic action in regard to the two parties' eastern neighbours: and for a military convention to be concluded for the same duration as the main Treaty. In case of common military action, neither party was to be at liberty to make a separate armistice or peace. The convention was to run for five years from the date of signature, with the right of denunciation on either side at the end of two years, at six months' notice. Neither party was to be at liberty to make an alliance with a third party without previous agreement with the other party, but 'alliances aiming at the maintenance of the treaties already signed in common by Poland and Rumania' (i. e. the four European Peace Treaties) were exempted from this condition, and the Polish Government took cognizance of the agreements between Rumania and other states for the maintenance of the Treaties of Trianon and Neuilly, while Rumania took cognizance of the Franco-Polish agreements. A protocol *A* defined the eastern frontiers of Rumania as those laid down in the convention signed in Paris on the 28th October, 1920, by Rumania and the Principal Allied Powers,[1] and the eastern frontiers of Poland as those laid down in the Russo-Polish peace preliminaries signed at Riga on the 11th October, 1920, and added a clause that neither party might conclude treaties with ex-enemy states[2] without the other's consent. A protocol *B* provided that the Treaty should remain secret and unratified until the signature of peace by Poland and Russia, but this lapsed when the Treaty of Riga was signed, fifteen days later, on the 18th March, 1921.

At the same time, Poland had to provide as far as possible for the security of her western frontier, which had been established at the expense of Germany. The loss of Upper Silesia, Posen, and West Prussia, with their mineral and agricultural resources and their large German minorities, was felt by the German nation, or at any rate by the Prussian people, more keenly than the loss of Alsace-Lorraine, and this created a strong negative common interest between Poland and France. In the summer of 1920, at the crisis

[1] See III (ii) 4 below.
[2] e. g. Poland with Hungary.

of the Russo-Polish campaign, General Weygand's mission saved Poland from military collapse; and a Franco-Polish Treaty [1] was signed by General Pilsudsky at Paris on the 19th February, 1921, on the eve of the definitive peace between Poland and Soviet Russia and a fortnight before the signature of the Polish-Rumanian Treaty described above.

The preamble to this agreement described its objects as the maintenance of Treaties which had been signed in common by the two parties 'or which may in future be recognized by both Parties'. The parties undertook to act in concert in international questions of common interest 'in the spirit of the Treaties and in accordance with the Covenant of the League of Nations' (Art. 1); they pledged themselves to economic solidarity and mutual support, to be embodied in special agreements and in a commercial convention (Art. 2); in the case of unprovoked attack upon either party, the two Governments were to 'take concerted measures for the defence of their territory and the protection of their legitimate interests, within the limits specified in the preamble' (Art. 3); and they undertook to consult one another before concluding fresh agreements affecting their policy in Central and Eastern Europe (Art. 4). The agreement was not to come into force until after the signature of the commercial agreements then in course of negotiation (Art. 5).

The political agreement was ratified by the French Government on the 15th May, 1922, and by the Polish Government on the 30th May, 1922. There was nothing in the published text to indicate whether the parties had provided for the execution of Article 3 by an unpublished military convention.

4. The Status of Bessarabia, 1917–23

The serious dispute over Bessarabia, which prevented the establishment of good relations between Soviet Russia and Rumania during the period under review, has been mentioned already in connexion with the Polish-Rumanian Treaty of the 3rd March, 1921.[2]

Bessarabia was the name given by the Russian Government to the territory between the River Pruth, the River Dniestr, and the

[1] The text is printed in vol. xviii of the *League of Nations Treaty Series*, and is reproduced in the Appendix to the present volume.

[2] See III (ii) 3 (*f*) above.

Black Sea which had been transferred from the Ottoman Empire to Russia by the Peace Treaty signed at Bucarest on the 28th May, 1812, and had been administered as a Russian province from that time onwards. Under the Ottoman régime this district had formed part of the autonomous principality of Moldavia, the population of which was Rumanian in nationality, and in Bessarabia itself perhaps 66 per cent. of the population was still Rumanian at the outbreak of the War of 1914, although a deliberate policy of Russification had been pursued during the intervening century. This Rumanian element, moreover, included the great mass of the peasantry, who were almost entirely illiterate and on whom the policy of Russification had therefore had little effect. The remainder was a mixture of many nationalities—Russians, Germans, Bulgarians, and Jews—who had settled or been planted in the territory since the Russian annexation, especially in the south-eastern districts towards the Black Sea coast and the Delta of the Danube.

When Turkey ceded Bessarabia to Russia in 1812, the Rumanian people had hardly begun to awaken to national consciousness; but, after the union of the two principalities of Moldavia and Wallachia in 1859–61 and their erection into the independent Kingdom of Rumania in 1878, there naturally arose a desire for the incorporation of the lost portion of Moldavia in the new national state, and this desire was stimulated by two territorial changes. In 1856, under the Treaty of Paris, a belt of Bessarabian territory on the left bank of the Pruth had been retroceded to the Ottoman Empire by Russia [1] and reincorporated in Moldavia, which was at that time still a separate principality under Ottoman suzerainty. This belt passed to the united Rumanian principality in 1859; but in 1878 Russia compelled Rumania to surrender it to her in exchange for the Dobruja, in spite of the fact that Rumania had come to her assistance in the recent war with Turkey and that the Rumanian Government had protested strongly against this high-handed redistribution of territory.

Russia's conduct on this occasion deeply wounded the feelings of the Rumanian people, but the newly-established Kingdom could neither hope to acquire Bessarabia from the Russian Empire by force nor afford to incur the hostility of the Russian Government by countenancing an ineffective irredentist agitation. Undoubtedly the memory of 1878 influenced the action of the Rumanian Crown

[1] Russia at the same time retroceded the Danube Delta, which she had acquired from Turkey in 1829.

in adhering, by a secret treaty, to the Triple Alliance; but the anti-Russian tendency in Rumania before the War of 1914 was balanced by the greater force of Rumanian irredentism in the Hapsburg dominions. The Rumanians of Hungary and Bukovina were not only twice as numerous as those of Bessarabia, they were also more advanced in civilization and more self-conscious politically. Rumanian irredentism in the Hapsburg Monarchy therefore determined the policy of the Rumanian Kingdom after the outbreak of the European War. So far from acting upon the secret treaty in 1914, the Rumanian Government intervened, in 1916, on the side of the Entente; and from the moment that Rumania became Russia's Ally her aspirations in Bessarabia, though not abandoned, were in abeyance.

The whole situation was changed by the outbreak of the Russian Revolution. In May, 1917, during the first phase of the Revolution, a National 'Moldavian'[1] Committee arose in Bessarabia which stood for land reform, local autonomy within the framework of the Russian Empire, and the use of the Rumanian language in the local schools; and in August, 1917, the Ukrainian National Council or Rada at Kiev recognized Bessarabia as a separate unit which the Ukraine could not claim to include within its own frontiers. The Moldavian National Council, however, was opposed by the composite non-Rumanian elements in Bessarabia (amounting perhaps in all to one-third of the total population of the province).

On the 20th October, 1917, a Bessarabian 'Military Congress' was convened at Odessa,[2] and on the 23rd October this Congress set up a new administrative body for Bessarabia by the following resolution:

> For the administration of Bessarabia there must immediately be constituted the Supreme Council (*Sfatul Tzarei*) which will consist of 120 members. The Moldavians will have 84 seats (70 per cent.) and the other nationalities of Bessarabia 36 seats (30 per cent.). All administrative institutions of Bessarabia will depend entirely on the National Council.

The Supreme Council was constituted forthwith—not by any process of election (which would have been very difficult in the prevailing confusion) but by the nomination of groups of members,

[1] The Imperial Russian Government had always avoided the use of the word 'Rumanian' in relation to Bessarabia and had referred to the language of the Rumanian-speaking peasantry as 'Moldavian'.

[2] Although one of the organizers of this congress appears to have been M. Rakovski, the relationship between this local movement and the Russian Bolshevik movement is obscure.

in agreed proportions, on the part of various bodies. Out of a total of 138 members (afterwards increased to 147) the military congress appointed 44, a congress of peasant delegates 36, while the remainder were nominated by the Jews, the *Zemstva*, the mayors of towns, and by several professional associations. On the 17th December, 1917, this body proclaimed an independent Moldavian Republic in Bessarabia, and shortly afterwards they invited the Rumanian Government to send troops into the country in order to preserve order. Rumania took this military measure with the explicit approval of the Allied Powers and in consequence a state of war arose, on the 28th January, 1918, between Rumania and Soviet Russia ; but this state of war was suspended on the 9th March by a Russo-Rumanian agreement, under which the Rumanian troops were to evacuate the province. Up to that point, the negotiations between Rumania, the Bessarabian Council, the Principal Allied Powers, and Soviet Russia had been concerned solely with the question of a provisional Rumanian military occupation of Bessarabia, without prejudice to the ultimate political destiny of the country. The Rumanian troops were not withdrawn, however, after the 9th March, and on the 8th April the Bessarabian Council voted for political union with Rumania on certain clearly defined conditions of local autonomy.

From this date onwards the Bessarabian controversy was governed by the question whether the vote of the 8th April had been a genuine expression of the will of the population. The Russians refused to recognize the union thus proclaimed, and the Allied Governments also deliberately refrained from recognizing it. The Rumanian Government, however, accepted the Council's vote together with the conditions attached to it ; but on the 27th November, 1918, after the collapse of the Central Powers and on the eve of the Peace Conference of Paris, a new motion was sprung upon the Bessarabian Council by the terms of which the conditions of the 8th April were cancelled and Bessarabia was simply merged in Greater Rumania. This motion was carried unanimously, but only forty-six members were present and a greater number of protests from absent members are said to have been recorded on the following day.

At the Peace Conference of Paris, M. Bratianu included Bessarabia among the Rumanian claims and the question of its future was referred, with the other Rumanian claims, to a sub-committee of the Conference, although strictly the disposal of Bessarabia lay

outside the scope of the peace settlement between the surviving Allied Powers and their opponents in the War of 1914. The sub-committee reported in favour of a free union between Bessarabia and Rumania, but the Supreme Council took no action, and both the 'Red' and the 'White' Russians steadily refused to recognize the action taken by Rumania, while M. Bratianu appears to have rejected a suggestion, made by the Supreme Council on the 2nd July, 1919, that the question should be settled by a plebiscite. The Rumanian Government, however, were anxious that the acts of the 8th April and the 27th November, 1918, should be recognized by the Allies, and the Supreme Council used this as a lever to procure the evacuation of Hungary and the signature of the Minorities Treaty by the Rumanian Government. On the 3rd March, 1920, in view of the Rumanian Government's compliance with the Allies' demands on these other questions, the Supreme Council issued a statement in which they pronounced themselves in favour of the reunion of Bessarabia with Rumania and expressed their desire to conclude a Treaty in recognition of this.[1]

The further handling of the question was entrusted to the Conference of Ambassadors, and after some delay the Treaty[2] was signed by the four Principal Allied Powers on the 28th October, 1920. On the other hand, the United States Government declined to become a party to what they regarded as a dismemberment of Russia at a time when there was no Russian Government to represent the Russian side of the case. When the signature of the Treaty was made public, the Soviet Government at once issued a formal protest on the ground that the Allies were claiming to themselves the right, which they did not possess, of disposing of territory which belonged to Russia. There was some technical justification for this protest, since, in the case of Bessarabia, the Allies had not reserved their recognition of the territorial change until the necessary assent of the Russian Government had been given, as they had done in the case of the Baltic seceding states. The Russian Government refused to recognize the authority of the League of Nations, to which certain matters were referred in the Treaty, and in addition they challenged the validity of the vote of the National Council in favour of annexation to Rumania. From that time onwards the question of Bessarabia governed the relations

[1] For the text of the Supreme Council's statement, see the Appendix.
[2] For the text of the most important articles in this Treaty (published as a British White Paper, *Cmd.* 1747 of 1922) see the Appendix.

of Rumania not only with Russia but with Poland and to some extent also with Czechoslovakia and Jugoslavia. In negotiating Treaties with these three neighbours, Rumania attempted (though only in the Polish case with success) to secure their guarantee for her possession of the province. These negotiations are dealt with elsewhere in the present volume.[1] As between Rumania and Russia, however, the Bessarabian question did not come up officially until the end of 1923, when negotiations were opened with a view to the recognition of the Soviet Government by Rumania. These negotiations will be dealt with in the *Survey of International Affairs for 1924*.

(iii) The Danube Basin and the Balkan Peninsula

1. The Situation of Czechoslovakia

In the preceding section, some account has been given of those international relations which were focussed, during the years 1920 to 1923, along the western border of Soviet Russia. The starting-point of the present section is the vortex which centred round Hungary.

In the introduction to this Part it has already been mentioned that the outward thrust of Hungarian irredentism and the co-operative counter-measures which this stimulated among Hungary's neighbours were the main key to international relations in the Danube Basin during these four years. After the termination of the War of 1914, Hungary had embarked on a very different course not only from Austria but from all the other defeated states in Europe.[2] The Liberal Government of Count Karolyi, which had come into existence at the time of the Armistice in the autumn of 1918, was overthrown in March, 1919, after five months of office, by a dictatorship of the proletariat, and in the following August the 'Reds' were overthrown, in their turn, by a 'White' counter-revolution,[3] the leaders of which remained in power throughout the period under review. Both the 'Red' and the 'White' revolutionaries were accused of terrorism against their political opponents, and, while the exact degree of this was a matter of

[1] See the introduction to this Part III, and also III (ii) 3 (*f*) above.
[2] The closest analogies to the history of Hungary during this period were to be found in Bavaria.
[3] See *H. P .C.*, vol. iv, Ch. IX, Part 2.

dispute,[1] there could be no serious doubt that an active irredentist movement, directed against Czechoslovakia, Rumania, Jugoslavia, and eventually even against Austria, was permitted to flourish openly in Hungary under both the 'Red' and the 'White' régimes. The 'Red' Hungarian Government came into armed collision with both Czechoslovakia and Rumania, the aggression starting in either case on the Hungarian side, while under Admiral Horthy's Government a number of nationalist organizations, officially unofficial, but in close personal contact with the leaders of the 'White' régime, were founded with the avowed object of overthrowing the territorial settlement established by the Treaty of Trianon.

Considering that the Treaty had not only put an end to the ancient dominion of the Magyars over the border nationalities of the Middle Danube Basin, but had inverted the pre-war situation by placing large Magyar populations under the rule of their former subjects, the rise of an irredentist movement in Hungary was a natural phenomenon, especially in view of the spirited but somewhat aggressive national character which the Magyar people had displayed throughout their history. Western spectators who held that Magyar minorities had been transferred to the 'successor states' beyond the measure demanded by geographical necessity might consider that this irredentism was not only natural but justified; yet no impartial judge could maintain that it was either judicious from the Hungarian point of view or conducive to the reconstruction of Eastern Europe as a whole; and no one could blame the 'successor states', when they found themselves threatened by this Hungarian movement, for taking concerted action in order to forestall the common danger to which it might expose them. Hungary thus provided a negative pole for a new international current; but two poles are necessary if a current is to be set in motion, and in this case the functions of the positive pole were performed by Czechoslovakia.

In some respects the position of Czechoslovakia immediately after the peace settlement was more difficult than that of any other East European state in the victorious camp. Although she was the most highly industrialized of these states, she was also the only

[1] For contrasted views of the 'White' terror see *Report on Alleged Existence of 'White Terror' in Hungary* (British White Paper, *Cmd.* 673 of 1920) and *The White Terror in Hungary: Report of the British Joint Labour Delegation to Hungary*. A judicial but damaging indictment of both régimes is made by Professor O. Jaszy, a member of Count Karolyi's Government, in *Revolution and Counter-Revolution in Hungary*.

one of them which did not and could not possess direct access to the sea ; while, in regard to the status of national minorities and the delimitation of frontiers, she had causes for acute disagreement not only with Hungary but with Austria, Germany, and Poland, not to speak of a minor boundary dispute with Rumania. Looking back after five years,[1] M. Beneš, who had taken part in the Peace Conference of Paris as an almost untried representative of a new state, thus characterized the situation of Czechoslovakia at the moment when he became responsible for the conduct of her foreign affairs :

> Being a new state, Czechoslovakia was not fully consolidated internally and she had numerous administrative problems to solve ; she had to build up a constitution, an army, a diplomatic corps and a financial policy, she had to complete her administrative and educational systems, and so on. Still greater difficulties lay before her : she was in conflict with Poland over the Teschen District ; the boundary disputes with Hungary and Rumania were not yet settled ; there were difficulties in connexion with the minorities ; and the country was directly affected by the recoil of the Russian Revolution. Monarchist *coups d'état* were taking place in Hungary, Austria, and Germany ; a Communist revolution was threatened from Russia ; and all our neighbours, as well as a certain section of our own citizens, were convinced that it was impossible for the new conditions created by the Peace Treaties to last. That is to say, these elements were working with all their might against those conditions, announcing several times a week the downfall of our state and of the other ' successor states ', and pursuing an irredentist policy, combined with propaganda against the state, in Czechoslovakia itself as well as in the neighbouring countries and in Western Europe. In addition to this, Russian Bolshevism was carrying on an intense propaganda, both in Czechoslovakia and elsewhere, for a world revolution, and this was being strongly supported by our communists, who, whether sincerely or not, were working against all attempts at stabilization and were asserting that the world revolution would be followed by better times. I remember how one of their leaders informed me at the beginning of 1920 that the world revolution was due to break out in six months' time at the latest.

The very acuteness of these difficulties compelled the Czechoslovaks to attempt a constructive foreign policy. Being an intelligent and highly educated nation which had enjoyed the benefits of membership in Western society since the early Middle Ages and had played a leading part in some of the great movements of Western history, they were better equipped for this enterprise than the majority of their East European neighbours, and they had

[1] *Exposé* delivered on the 6th February, 1924, before the Foreign Affairs Committee of the Czechoslovak Parliament.

the good fortune to possess two statesmen of wide vision and first-rate ability. The older generation was represented by President Masaryk, with his immense experience and his European reputation in the field of literature and scholarship as well as in that of international affairs ; the younger by M. Beneš, with his unfailing fund of practical energy and intellectual resource. Under President Masaryk's inspiration and M. Beneš's guidance in detail, the Czechoslovak Government became the principal constructive force in Danubian affairs during the period under review, and the history of these affairs can be presented in truest perspective from the point of view of M. Beneš's diplomatic activities. His method was to build up separate short-term agreements with individual neighbouring states in respect of specific common interests,[1] and his first enterprise was to insure against the menace from Hungary by bringing into existence the three bipartite treaties between Czechoslovakia, Jugoslavia, and Rumania which were the basis of the ' Little Entente '. His services were warmly acknowledged by both M. Pašić and M. Ionescu when the ' Little Entente ' was completed by the signature of the Jugoslav-Rumanian Agreement on the 7th June, 1921.[2] In order to understand the problem with which M. Beneš was confronted at the outset, it is necessary to take into consideration the relations of Czechoslovakia with her other neighbours, besides Hungary, at the moment when the Peace Conference of Paris came to an end.

At that moment Czechoslovakia found herself at variance not only with Hungary but with her northern neighbour, Poland—partly over the delimitation of frontiers in the Teschen, Zips, and Orava districts,[3] and partly because the Czechoslovak Government and people, in spite of their strong disinclination towards Bolshevism, were drawn towards Russia by permanent ties of sympathy and policy. The Czechoslovaks not only expected but hoped that Russia would eventually recover her position as a Great Power,

[1] See his speeches of the 1st February, 1920, and the 27th January, 1921, in the Czechoslovak Chamber. (Text of the former in *L'Europe Nouvelle*, 19th September, 1920 ; and of the latter in a White Paper issued by the Czechoslovak Government.)

[2] See the Czechoslovak White Book, *Documents diplomatiques relatifs aux Conventions d'Alliance conclues par la République Tchécoslovaque avec le Royaume des Serbes, Croates et Slovènes et le Royaume de Roumanie, décembre 1919–août 1921*, Docs. 73 and 74.

[3] See *H. P. C.*, vol. iv, Ch. VI, Part 1. For the text of the Czecho-Polish agreement signed at Prague on the 29th November, 1920, in pursuance of the Conference of Ambassadors' decision of the 28th July, see *Bulletin de l'Institut Intermédiaire International*, July, 1921.

whereas the Poles were bound to regard the recovery of Russia as a menace to the situation created by the Treaty of Riga. The two states also differed in their policy towards the Ukrainians. The Poles had occupied Eastern Galicia (the homeland of the Ukrainian national movement) by force of arms in May and June, 1919, and so held it (except for a short Russian occupation during the summer of 1920) until the 15th March, 1923, when this territory was formally assigned to Poland by the Principal Allied Powers,[1] to whom it had been ceded by Austria under the Treaty of St. Germain. In contrast to this, Czechoslovakia had undertaken, by treaty with the Principal Allied Powers, to grant national autonomy to the Ukrainians of the ex-Hungarian district of Carpatho-Ruthenia, and the Czechoslovak Government permitted Ukrainian exiles from Eastern Galicia to set up a university at Prague.

On the other hand, Poland had no quarrel with Hungary, who was Czechoslovakia's most hostile neighbour ; and it was rumoured that, in July, 1920, when the Russo-Polish war was approaching its crisis, a secret agreement was concluded between Hungary and France, by which Hungary was to grant concessions to French capitalists and to send her army (which was conspicuously in excess of the Treaty limits) to the assistance of the Poles, while she was to obtain, in return, substantial retrocessions of territory at the expense of Jugoslavia, of Rumania, and above all, of Czechoslovakia. In the latter case, it was alleged, the common frontier established by the Treaty of Trianon between Czechoslovakia and Rumania was to be wiped out, and, in place of it, Hungary was to recover her common frontier with Poland along the line of the Carpathians by reannexing Carpatho-Ruthenia and portions of Slovakia. Whether or not negotiations were conducted in this sense, no direct results followed ; but the rumour of such negotiations undoubtedly delayed the reconciliation of Czechoslovakia and Poland and hastened the formation of the Little Entente.[2]

Thus Czechoslovakia was embarrassed on her northern frontier

[1] For the decision of the Conference of Ambassadors on that date by which the remaining frontiers of Poland were settled in virtue of the Versailles Treaty, Article 87, see III (ii) 3 (*b*) above.

[2] On these alleged Franco-Hungarian negotiations see R. W. Seton-Watson in *The New Europe*, vol. xvii, No. 209, of the 14th October, 1920 ; A. Mousset, *La Petite Entente*, pp. 18 and 131 ; Czechoslovak Government, *Documents diplomatiques*, Docs. 19 of the 27th July and 28 of the 25th August, 1920 ; and M. Beneš's speech of the 1st September, 1920, in the Czechoslovak Parliament. On this occasion, M. Beneš stated that Franco-Hungarian negotiations had taken place, but he denied emphatically that they had been inimical to Czechoslovakia.

by difficulties with a former ally, which were only gradually and partially overcome during the years in question. On her southern frontier, on the other hand, she was fortunate in having as her neighbour the ex-enemy state of Austria, whose policy during this period was the exact opposite of that pursued by her previous partner in the Dual Monarchy, Hungary. Austria had accepted the new situation created by the Peace Treaties without reserve, and it was evident to all parties that she would make no attempt either to recover the German minorities in Jugoslavia and Czechoslovakia or to bring about her *Anschluss* to the German *Reich*, whatever the private feelings of her people on these questions might be. She was rendered militarily impotent by her economic distress, and if any danger was to be apprehended from her by her neighbours, it was the danger not of political irredentism but of economic disintegration, which might prejudice the economic recovery of other East European countries if it passed a certain point.[1] The Treaty of St. Germain had postponed the settlement of two territorial questions—the taking of a plebiscite in the Klagenfurt district, which was disputed between Austria and Jugoslavia, and the transfer from Hungary to Austria of German West Hungary (the Burgenland), which was to take effect as soon as the Peace Treaty of Trianon with Hungary, as well as the Treaty with Austria, had been ratified. The Klagenfurt plebiscite, which was taken on the 10th October, 1920, under the auspices of the Principal Allied Powers and which resulted in a victory for Austria, settled the chief outstanding issue between Austria and Jugoslavia.[2] The issue between Austria and Hungary over the Burgenland is dealt with separately elsewhere.[3] During this period Austria's relations with her ex-partner Hungary were distinctly worse than her relations with the 'successor states', Czechoslovakia, Jugoslavia, and Rumania, and this fact reacted favourably upon the attitude of these states towards Austria.

The relations of Czechoslovakia with Rumania and Jugoslavia have been touched upon already in the introduction to this Part. The points in which her interests coincided with the interests of these two states, particularly in regard to Hungary, greatly outweighed the points of divergence; and therefore, in setting out to build up a new system of international relations in the Danubian

[1] For the extent to which this consideration stimulated international efforts for the economic reconstruction of Austria, see III (iii) 5 below.
[2] See *H. P. C.*, vol. iv, Ch. VI, Part 2. [3] See III (iii) 3 below.

area, M. Beneš made an understanding between Prague, Belgrade, and Bucarest his first objective. That objective was attained by the negotiation of three bipartite Treaties which, in combination, established the three-cornered relationship which became known as the 'Little Entente'; [1] but these links were not all equally easy to forge. Rumania had a minor territorial issue to adjust with Czechoslovakia in the Carpathians and a more serious issue with Jugoslavia in the Banat. She was also distracted between the problems of Hungary and the Russian border, and it has been mentioned above how the Rumanian statesman, M. Take Ionescu, opposed to M. Beneš's limited objective the more grandiose project of an East European Entente, embracing all the victors, which would serve to guarantee the new frontiers of Rumania against Soviet Russia as well as against Hungary and Bulgaria. Even Jugoslavia, who saw eye to eye with Czechoslovakia in regard to Russia and to Hungary alike, was partly distracted by her difficulties in the Adriatic with Italy. Czechoslovakia alone, though she was beset by at least as many competing anxieties as her neighbours, had the strength of mind to concentrate her efforts in a single direction, and it was largely this which gave her the diplomatic initiative in Danubian affairs.

Throughout these years, M. Beneš kept steadily before his eyes his primary concrete object of frustrating the irredentist movement in Hungary, which proved a serious danger to the neighbouring states on at least three occasions—namely, the crisis of the Russo-Polish War in the summer of 1920 and the two raids of the ex-King Charles into Hungary in 1921. On such occasions, M. Beneš acted with an energy that sometimes verged upon aggressiveness, but in justice to his statesmanship it must be remembered that he never set himself a merely negative or repressive task.

> You are well aware, Gentlemen, [he was able to say in retrospect on the 6th February, 1924] that we have never flagged in our policy of coming to an agreement with all our neighbours, including our former enemies as well as our Allies in the War. Ever since the time of the creation of the Little Entente—an understanding which was directed in form against Magyar irredentism and nationalism, but in reality against post-war disorder, attempted 'putsches', unrest, uncertainty, and all excesses from whichever extreme they proceeded—we have not ceased to negotiate with Hungary precisely on the basis of these principles. Three times I have attempted by direct negotiation with Hungarian Governments to arrive at an agreement both on the particular points in dispute and also on our political relations in

[1] See III (iii) 2 below.

general, in the hope of attaining peace and tranquillity for the future. The memory is still fresh of our meeting with the Ministers MM. Teleki and Gratz at Most-on-Litava [Brück-on-Leitha] on the 14th March, 1921. On that occasion, the first escapade of Charles Hapsburg destroyed the results of our negotiations. A few months later, on the 24th June, 1921, we had a meeting at Mariánské Lázne [Marienbad] with M. Banffy and made a little more progress, when the results of the negotiations were compromised once again by the insurrection in the Burgenland. Even at that critical moment, however, I did not cease to pursue a policy of peace. While I warned the Allies, I carried on negotiations with Austria and Hungary with a view to an amicable settlement and the avoidance of armed conflict—a danger which was then more imminent than many people realized. Perhaps I can safely say to-day that at the time of the third attempted *coup* I earnestly endeavoured, at the meeting at Brno [Brünn] on the 26th September, 1921, to settle the Hapsburg Question amicably and once for all. What I feared then was soon within an ace of occurring—I mean, war with Hungary over the Hapsburg Question. Before our negotiations had been concluded —we had already arrived at an agreement in principle—Charles Hapsburg appeared for the second time. The events of November, 1921—the mobilization and the serious diplomatic conflict of which you know—are still fresh in the memory of all.

This claim to have pursued a pacific policy was borne out by M. Beneš's previous acts and declarations. As early as the 1st September, 1920, he had expressed himself as follows in regard to Hungary before the Foreign Affairs Committee of the Czechoslovak Parliament : [1]

Hungary's neighbours are naturally bound to defend themselves against the danger [from her], but they ought also to understand and study her difficulties, and thus see how it is possible to overcome them. It is not enough for us to show opposition to the Magyars ; we must also try to find a way out of the situation, a way to help them—and thus, in the long run, to help ourselves—with the ultimate object of establishing mutually friendly relations. If, then, we have come to an understanding with Jugoslavia and Rumania on the subject of the Treaty of Trianon, our object is not solely to defend what has been decided and signed or to forestall Magyar adventures, but also to show that there is nothing for Hungary to do but to change all her conceptions, her social structure and her political methods. If that policy succeeds, a situation will be created which will allow Hungary to live on good terms with her neighbours. The latter, moreover, are always ready to hold out a friendly hand to Hungary and thus to collaborate peacefully in the establishment of neighbourly relations.

On the 27th January, 1921, M. Beneš had declared again that ' History teaches us that we cannot live with the Magyars in a state of everlasting enmity ', and that ' it is conspicuously impossible

[1] French text in *L'Europe Nouvelle*, 19th September, 1920.

not to re-establish economic and political relations with Hungary at the earliest opportunity ' ; and the Czecho-Hungarian commercial treaty which he went on to foreshadow on that occasion was eventually signed on the 24th November, 1922. The touchstone, however, of M. Beneš's policy was his attitude, and the attitude of the Little Entente as a whole, towards the scheme for the economic reconstruction of Hungary, on the lines of the reconstruction of Austria, under the auspices of the League of Nations, which was put forward in 1923 ; and the members of the Little Entente acted up to their professions when they decided at the Conference of Sinaia (28th July, 1923) to support the Hungarian reconstruction scheme on certain not unreasonable conditions. In a speech reporting this decision on the 30th October, 1923, M. Beneš expressed the hope that economic reconstruction would be accompanied in Hungary by a change of political orientation, which might result in ' the definitive establishment of good relations ' between Hungary and Czechoslovakia.

Before the execution of the scheme it was impossible to tell whether this hope would be realized, but if the success of M. Beneš's policy toward Hungary was still in doubt at the close of the year 1923, he had achieved one certain success in his relations with Germany. In spite of the fact that Czechoslovakia marched with Germany on three frontiers, possessed a constant occasion of controversy with her in the economic facilities secured by treaty to Czechoslovakia on the waterway of the Elbe and in the port of Hamburg, and contained a large and dissatisfied German minority, the relations between the two countries during this period were sufficiently happy to be without a history. In some respects this achievement was more remarkable than those which won for M. Beneš his European reputation.

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2. The Formation of the 'Little Entente'

The stages by which the 'Little Entente' and its outworks were built up, and the obstacles and dangers that were encountered in the process, must now be described in greater detail.

As early as October and November, 1918, there had been tentative negotiations between M. Beneš representing Czechoslovakia, MM. Pašić and Trumbić representing Serbia and the newly-liberated Jugoslavs respectively, and M. Take Ionescu representing Rumania; but the definite project of a defensive alliance between Czechoslovakia and Jugoslavia, from which the 'Little Entente' took its rise, appears to have been broached by M. Beneš to M. Trumbić in Paris on the 30th December, 1919,[1] while negotiations in the same sense were opened on the 5th January, 1920, between M. Beneš at Prague and M. Vaida Voievod (the Rumanian Prime Minister of Transylvanian origin) at Bucarest.[2] Direct negotiations between Prague and Belgrade began in February; they were hastened by the outbreak of the Kapp *Putsch* in Germany in March and by rumours of Franco-Hungarian negotiations in July;[3] and on the 14th August a convention was duly signed at Belgrade by M. Beneš and M. Ninčić.[4] The main purpose of this instrument was declared, in the preamble, to be the maintenance of the Treaty of Trianon; the two states were to assist one another (Art. 1), in the event of an unprovoked attack upon either of them by Hungary, in accordance with the terms of a military convention to be drawn up later (Art. 2);[5] neither party was to conclude an alliance with a third party without giving previous notice to the other (Art. 3); the convention was to run for two years from the exchange of ratifications, but was to remain in force, if denounced, for six months after the date of denunciation (Art. 4); it was to be communicated to the League of Nations (Art. 5).[6]

M. Beneš went on from Belgrade to Bucarest, where he communicated the Czecho-Jugoslav Convention to M. Ionescu, and it was agreed that Czechoslovakia and Rumania would assist one another in case of an unprovoked Hungarian attack, pending the

[1] Czechoslovak Government, *Documents diplomatiques*, Doc. 1.
[2] *Ibid.*, Doc. 2.
[3] *Ibid.*, Docs. 6 and 19.
[4] *Ibid.*, Doc. 25. The text is printed in *League of Nations Treaty Series*, vol. vi, and is reprinted in the Appendix to the present volume.
[5] This military convention was signed on the 1st August, 1921.
[6] It was communicated on the 29th and registered on the 30th August, 1921.

conclusion of a similar convention between themselves.[1] On the 30th October, 1920, there was a meeting between M. Ionescu and M. Beneš at Prague in which the former communicated [2] the results of representations in favour of the Little Entente which he had made to the statesmen of the Principal Allied Powers during a recent visit to Rome, Paris, and London.[3] At this meeting it was decided to appoint two mixed commissions to settle the frontier question and to arrange for the improvement of economic intercourse between the two countries.

On the 12th November, 1920, simultaneously with the Treaty laying down the Italo-Jugoslav frontier and settling the status of Fiume, a defensive agreement[4] was signed by the Italian and Jugoslav Governments which was framed on the same lines, though it did not involve the same commitments, as the Czecho-Jugoslav Treaty of the 14th August. The two states undertook to watch over the maintenance of the Treaties of St. Germain and Trianon, and to take concerted action to prevent the restoration of the Hapsburg Dynasty in Austria and Hungary (Art. 1); they undertook to lend one another the necessary diplomatic (not military) assistance (Art. 2); they undertook respectively to inform one another of hostile action taken against the other party in Austria or Hungary (Art. 3); the Czecho-Jugoslav Convention was communicated to Italy, and it was agreed that the present agreement should be communicated to Czechoslovakia (Art. 4); the agreement was to run for two years from the exchange of ratifications, but was to remain in force, if denounced, for six months after the date of denunciation (Art. 5).

On the 8th February, 1921, there was an exchange of notes[5] between M. Beneš and Count Sforza on the occasion of a visit by M. Beneš to Rome. Count Sforza referred in his note to the identity of interests and policy between Italy and Czechoslovakia and then to the convention between Italy and Jugoslavia, and added that 'it is natural that the communication made to the Czechoslovak Government on the basis of Article 4 of the above convention should

[1] Czechoslovak Government, *Documents diplomatiques*, Doc. 27.
[2] *Ibid.*, Doc. 32.
[3] M. Ionescu had followed up his visit to the capitals of the three Principal European Allied Powers by a visit to Warsaw, with the object of bringing Poland into the Little Entente. As has been mentioned already, this proved to be impossible; but M. Ionescu's visit prepared the ground for the conclusion of the separate Polish-Rumanian Treaty of the 3rd March, 1921 (see III (ii) 3 (*f*) above).
[4] Czechoslovak Government, *Documents diplomatiques*, Doc. 34.
[5] *Ibid.*, Docs. 39 and 40.

acquire the signification that the agreements and the undertakings included [in the convention] are binding equally as between Italy and Czechoslovakia '.

On the 14th March, 1921, there was a meeting between representatives of the Czechoslovak and Hungarian Governments at Most-on-Litava, but this was followed on the 27th of the same month by the first raid of the ex-King Charles into Hungary.

As early as the 21st August, 1919, when the ' White ' counter-revolutionaries had set up the Archduke Joseph as ' administrator ' of the Hungarian Crown, the Supreme Council had insisted upon his withdrawal and had placed a public ban upon the reappearance of a member of the Hapsburg family at the head of the Hungarian Government.[1] Thereafter, on the 4th February, 1921, the Conference of Ambassadors had declared, with equal publicity, on the proposal of the British member, Lord Derby, that a Hapsburg restoration in Hungary could not be regarded as a mere internal affair of the Hungarian state, and that it would be ' neither recognized nor tolerated ' by the Principal Allied Powers.[2] On the 27th January, 1921, in a speech delivered in the Czechoslovak Parliament, M. Beneš stated roundly that an attempt to restore the ex-King Charles ' would constitute for certain of Hungary's neighbours a veritable *casus belli* ', adding that ' 95 per cent. of the difficulties with neighbouring states would disappear the moment that those neighbours of the Hungary of to-day found evidence of an evolution in the direction of democracy and republicanism, which would reassure them on the question of her internal régime '.

Charles, however, while he had renounced all share in the government of Austria and Hungary respectively in two declarations dated the 11th and the 13th November, 1918, had refrained in either case from a formal abdication,[3] and on the 27th March, 1921, he presented himself on Hungarian soil. The representatives at Budapest of the Principal Allied Powers and the Little Entente Powers immediately protested, and on the 30th M. Beneš instructed the Czechoslovak Minister to inform the Hungarian Government that, unless Charles quitted Hungary immediately, Czechoslovakia would break off diplomatic relations with Hungary and institute

[1] *H. P. C.*, vol. iv, pp. 490–1, and Preface to *Documents diplomatiques concernant les tentatives de restauration des Habsbourg sur le trône de Hongrie, août 1919–novembre 1921* (published by the Czechoslovak Government). The initiative had been taken by M. Beneš in a note of the 12th August, 1919, addressed to the Peace Conference.

[2] Czechoslovak Government, *Documents diplomatiques* (Habsbourg), Doc. 1.

[3] See *H. P. C.*, vol. iv, pp. 118–19.

a blockade, with a 'military demonstration' as a last resort, in accordance with the terms of the Czecho-Jugoslav Convention.[1] On the 31st March the Hungarian Government informed the Czechoslovak Minister that, while they regarded the question as an internal affair, all steps for securing Charles's departure from Hungary had been taken, and on the 1st April the Government's action was approved by the Hungarian Parliament in an extraordinary session. On that day M. Beneš had informed the Hungarian Government privately that in the opposite event the states of the Little Entente would intervene immediately 'avec la dernière énergie'.[2] Meanwhile, on the 31st March, the Conference of Ambassadors reaffirmed their declaration of the 4th February, 1920, and expressed their expectation that the Hungarian Government 'will take effectual measures to suppress an attempt which, if it succeeded even for a moment, could only have disastrous consequences for Hungary'. On the 3rd April M. Beneš forwarded to the Czechoslovak Minister at Budapest (and simultaneously communicated to the Czechoslovak Legations abroad and to the Conference of Ambassadors) an ultimatum—to be presented jointly with the Jugoslav Minister as soon as he had received instructions from Belgrade—declaring that immediate measures would be taken if Charles were still in Hungary at 6 p.m. on the 7th.[3] On the 4th April Belgrade suggested that the period of grace should run for three days from the date of delivery, and this suggestion was accepted on the same date by Prague and Bucarest.[4] On the 4th April, however, the note from the Conference of Ambassadors was presented to the Hungarian Government and Charles left Hungarian territory. Nevertheless, M. Beneš instructed the Czechoslovak Minister at Budapest to communicate the text of the ultimatum to the Hungarian Government, and this was done, though, in the absence of instructions from their Governments, the Jugoslav and Rumanian Ministers did not act in conjunction with the Czechoslovak Minister.[5] Charles retired to Switzerland, the Hungarian Government having prevailed upon the Swiss Government to grant him a provisional permit to reside in Swiss territory.

The most important effect of Charles's first raid into Hungary was to hasten the conclusion of defensive conventions between Czechoslovakia and Jugoslavia respectively and Rumania on the model of

[1] Czechoslovak Government, *Documents diplomatiques* (Habsbourg), Doc. 5.
[2] *Ibid.*, Docs. 11 and 13.
[3] *Ibid.*, Docs. 16, 17, 18.
[4] *Ibid.*, Docs. 19, 20, 21.
[5] *Ibid.*, Docs. 24 and 25.

the Czecho-Jugoslav Convention of the 14th August, 1920. On the 4th April, 1921, it was announced from Bucarest that the Rumanian Government was prepared to open negotiations on the subject with Czechoslovakia,[1] and the convention was actually signed at Bucarest on the 23rd April, 1921, by M. Ionescu and the Czechoslovak Minister. *Mutatis mutandis*, its terms[2] were identical with those of the Czecho-Jugoslav Convention, except for the insertion of an explicit provision (Art. 4) that the two Governments should pursue a concerted foreign policy in regard to Hungary.[3]

On the 19th May the Czechoslovak Government was informed that the Rumanian and Jugoslav Governments proposed to negotiate a convention and simultaneously to settle their controversy over the Banat, and it was proposed that the convention should be signed in the presence of all three parties.[4] The instrument was eventually signed on the 7th June, 1921,[5] by MM. Ionescu and Pašić at Belgrade, but M. Beneš was unable to attend. This Rumanian-Jugoslav Convention differed in certain respects from its predecessors. Its purpose was declared, in the preamble, to be the maintenance not only of the Treaty of Trianon with Hungary but also of the Treaty of Neuilly—the two signatories having a common interest against Bulgaria which Czechoslovakia did not share. The parties were to assist one another in the event of an unprovoked attack upon either of them by Hungary or Bulgaria. The provisions regarding a military convention,[6] alliances with third parties, and the duration of the agreement followed the common form, and the additional article providing for a concerted policy (in this case against Bulgaria as well as against Hungary) reappeared.

During August, 1921, there was a meeting at Hallstatt between the Presidents of the Czechoslovak and Austrian Republics, and M. Beneš held two meetings during the same summer with the Hungarian Foreign Minister Count Banffy—one on the 24th June at Marienbad to discuss the Burgenland crisis,[7] and a second on the

[1] Czechoslovak Government, *Documents diplomatiques* (Conventions d'alliance), Doc. 50.
[2] *Ibid.*, Doc. 65; also printed in *League of Nations Treaty Series*, vol. vi, and reprinted in the Appendix to the present volume.
[3] The Czecho-Rumanian Military Convention was signed on the 2nd July, 1921, while the Political Convention was communicated to the League of Nations on the 29th and registered on the 30th August, 1921.
[4] Czechoslovak Government, *Documents diplomatiques* (Conventions d'alliance), Doc. 67.
[5] *Ibid.*, Doc. 72, reprinted in the Appendix to the present volume.
[6] Signed on the 23rd January, 1922.
[7] See III (iii) 3 below.

26th September at Brünn to discuss the question of the Hapsburgs. The possibilities of a Czecho-Hungarian understanding, however, were temporarily destroyed on the 20th October, 1921, by the second arrival of Charles in Hungary,[1] in breach of a promise given by him to the Swiss Government as recently as the 5th of the same month. He descended in an aeroplane upon the Burgenland, where he was joined by some of the irregular armed bands which were engaged in forcibly preventing the transfer under the Treaty of Trianon of this German district from Hungary to Austria.

On the 22nd October the representatives at Budapest of both the Principal Allied Powers and the Little Entente Powers protested to the Hungarian Government against the return of Charles and demanded that steps should be taken to remove him immediately. The Hungarian Government accepted these demands on the same day,[2] and since Charles was already marching on Budapest they sent armed forces to oppose him. On the 23rd October, Charles's followers were defeated in an engagement with the Government troops and sued for an armistice, and next morning the Hungarian Government presented the following conditions : [3] the rebels were to lay down their arms ; there was to be an amnesty for all except the ringleaders ; the King was to deliver in writing an act of voluntary abdication from the Hungarian throne ; and the Hungarian Government was to settle his eventual place of residence in agreement with the Principal Allied Powers. Charles made no reply, but his troops were dispersed and he himself was arrested in the course of the same day (24th October). On the 26th October representatives of the Hungarian Government negotiated with their prisoner, but failed to induce him to renounce his title to the Hungarian throne.[4]

Meanwhile, on the 22nd October, M. Beneš had sent a circular note to the Czechoslovak Legations abroad announcing that the presence of Charles in Hungary was a *casus belli*, that preparations for mobilization were being made in Czechoslovakia, that energetic measures would be taken in concert with the other members of the Little Entente, and that, even if Charles were removed from

[1] See the Czechoslovak Government's *Documents diplomatiques* (Habsbourg), already cited ; and the Hungarian Government's *Documents diplomatiques relatifs au détronement des Habsbourg* ; as well as M. Beneš's speech of the 16th November, 1921, in the Czechoslovak Parliament.

[2] Hungarian *Documents diplomatiques*, p. 6.

[3] *Ibid.*, p. 8.

[4] *Ibid.*, pp. 11–12.

Hungary, the greatest pressure, not stopping short of military measures if necessary, would be exercised 'in order to obtain the final settlement of the Hapsburg question in Hungary and to avert once and for all the danger created by the House of Hapsburg in Central Europe'.[1] On the 23rd October M. Beneš informed the Principal Allied Powers in particular that the Little Entente Governments had decided to take the most energetic measures towards a definitive solution of the Hapsburg problem, that they counted on the Principal Allies for support, and that they had no mind for half-measures.[2] On the same date the Hungarian Minister at Prague informed his Government[3] that M. Beneš, in a conversation in which he had employed very strong language, had put forward five verbal demands: strict execution of the territorial and military terms of the Treaty of Trianon, genuine disarmament, a definitive solution of the Hapsburg question, indemnification for the cost of Czechoslovak mobilization, and the annulment of the Austro-Hungarian Agreement of Venice.[4] Mobilization was actually decreed on the 23rd October in both Czechoslovakia and Jugoslavia, and in Czechoslovakia it began on the 27th.

On the 24th October the British Minister at Budapest advised the Hungarian Government to refrain from taking any military counter-measures, and Count Banffy contented himself with telegraphing a protest to M. Beneš and contesting the statement (reported by the Hungarian Minister at Prague as having been made by M. Beneš in their conversation on the 23rd) that the conditions announced were demanded by the Principal Allied Powers in concert with the Little Entente.[5] On the same date the representatives in Paris of the Little Entente Governments presented a note to the Conference of Ambassadors expressing the view that 'the most energetic measures for the definitive liquidation of the Hapsburg question and the execution of the Peace Treaties' were required, and announcing that the three Governments intended to take the necessary steps. In reply, the Conference of Ambassadors communicated to the Little Entente Ministers in Paris, and dispatched to the Hungarian Government at Budapest, a note demanding the formal deposition of Charles and his

[1] Czechoslovak *Documents diplomatiques* (Habsbourg), Doc. 32.
[2] *Ibid.*, Doc. 37.
[3] Hungarian *Documents diplomatiques*, pp. 9–10.
[4] See III (iii) 3 below.
[5] Hungarian *Documents diplomatiques*, p. 11; Czechoslovak *Documents diplomatiques* (Habsbourg), Doc. 47.

arrest with a view to his removal from Hungary under conditions to be fixed by the Allied Governments. Unless the Hungarian Government complied immediately, the Powers declined 'all responsibility regarding the intervention of the states bordering on Hungary or for the resulting consequences'.[1] On the 26th October M. Beneš informed Count Banffy, in reply to his protest of the 24th, that military sanctions would be taken unless the entire Hapsburg Dynasty were deprived of its rights to the throne and a written engagement were given by the Hungarian Government for the strict execution of the Treaty of Trianon.[2] On the same date M. Beneš addressed to the Principal Allied Powers a request that the Little Entente Powers should be represented on a special sub-commission of the Disarmament Commission for Hungary, and a demand that at least a nominal indemnity should be paid by Hungary for the costs of mobilization.[3]

On the 27th October the Conference of Ambassadors requested the Hungarian Government to deliver Charles to the Commander of the British flotilla on the Danube for removal to a definitive place of residence to be determined by the Principal Allied Powers, and at the same time to proclaim his deposition.[4] This note was presented at Budapest on the 28th, and on the same morning the representatives of the Little Entente Powers at Budapest demanded verbally the exclusion from the throne of the whole Dynasty.[5] In a note of the 29th addressed to the Conference of Ambassadors, the Hungarian Government accepted the demand for the extradition of Charles (without referring to his deposition or to the exclusion of the Dynasty) and virtually appealed to the Principal Allied Powers for protection against the Little Entente. This acceptance was communicated verbally on the same date by the British Minister at Budapest to the representatives of the five other Allied Powers concerned,[6] and the removal of the ex-King was effected on the 1st November without further difficulty ;[7] but the position remained critical, for the questions of the deposition of the ex-King, the

[1] Czechoslovak Docs. (Habsbourg) 42 and 43.
[2] *Ibid.*, Doc. 48. [3] *Ibid.*, Doc. 49. [4] *Ibid.*, Doc. 50.
[5] Hungarian *Documents diplomatiques*, p. 16. The demand was alleged, on the Hungarian side, to have been couched in threatening language.
[6] It was stated on the Hungarian side that Mr. Hohler at the same time suggested to the representatives of the Little Entente Governments, as the view of the British Government, that an ultimatum was now unnecessary (Hungarian Docs., p. 17).
[7] He was eventually taken to Madeira, where he died on the 1st April, 1922.

exclusion of the Hapsburg Dynasty from the Hungarian throne, and the indemnification of the Little Entente states for the costs of their mobilization were still unsettled.

M. Beneš continued to press his views on these points upon the Principal Allied Powers under threat of military intervention in Hungary,[1] and on the 29th[2] October the Hungarian representative at Prague telegraphed to Count Banffy a report of a further conversation, of that date, with M. Beneš, in which he alleged that M. Beneš had announced that, unless his terms were complied with immediately and in full, an ultimatum would be delivered on the 1st November and would be followed at once by the entry of Czechoslovak and Jugoslav troops into Hungary.[3] On the 30th October, upon the receipt of this telegram, the Hungarian Government placed itself unreservedly in the hands of the Principal Allied Powers and threw itself upon their mercy for protection.[4] On the same date the Conference of Ambassadors informed M. Beneš and his Jugoslav and Rumanian colleagues[5] that, in their opinion, the exclusion of the entire Hapsburg Dynasty 'could be demanded'; that the control of Hungarian disarmament was the concern of the Principal Allied Powers, though they welcomed the exchange of information on the subject with the Governments of the Little Entente; that, 'since the Hungarian Government had succeeded, with the means at its own disposal, in putting an end to the enterprise

[1] Czechoslovak Docs. (Habsbourg) 51 and 54.

[2] This is evidently the correct date (see Czechoslovak Docs. (Habsbourg) 57), though the Hungarian Documents (p. 18) date this interview the 30th October.

[3] In his *exposé* of the 16th November, 1921, M. Beneš stated that 'ni nous ni la Petite Entente n'avons adressé directement un ultimatum au gouvernement hongrois' (official French text, p. 7); but the threats of an ultimatum contained in his note of the 29th October to the Czechoslovak representatives abroad (Czechoslovak Docs. (Habsbourg) 54) and in his conversation of the 29th with M. Tahy, the Hungarian representative at Prague, if correctly reported by the latter, were hardly distinguishable from the action itself. On the other hand M. Tahy reported that, in the same conversation, M. Beneš declared his willingness that the indemnity demanded should be paid in kind, that the written declaration to observe the Treaty of Trianon which he required from Hungary should be addressed to the Principal Allied Powers and not to himself, and that the Austro-Hungarian Convention of Venice regarding the Burgenland should stand if the exclusion of the Hapsburg Dynasty from the Hungarian throne were accepted voluntarily by Hungary. M. Beneš, however, declared explicitly (Czechoslovak Docs. (Habsbourg) 63) that 'quand, samedi, M. Tahy est venu me voir, je n'ai fait aucune menace d'intervenir militairement et ne lui ai pas remis d'ultimatum', and that 'mardi matin, M. Tahy a dû reconnaître lui-même n'avoir pas bien compris le sens de mes déclarations et avoir, par conséquent, informé inexactement son gouvernement'.

[4] Hungarian Docs., pp. 18–21.

[5] Czechoslovak Docs. (Habsbourg), 55.

of the ex-King Charles IV, [and] since under these conditions the Allied Powers had declared themselves satisfied ', the demand for an indemnity could not be entertained, and that, ' in face of the correct attitude actually adopted by the Hungarian Government ', military intervention would be quite unjustified. In conclusion they invited the Little Entente Governments to demobilize. In another note,[1] which was transmitted to the Hungarian Government on the 31st October,[2] the Conference of Ambassadors called upon the latter immediately to proclaim the deposition both of Charles and of the Dynasty. The Hungarian Government agreed to this demand on the same date without reservations, and guaranteed the passage of the necessary legislation through the National Assembly within eight days.[3] M. Beneš replied to the Conference of Ambassadors in a long and reasoned memorandum, in which he maintained his point of view and questioned the good faith of the existing Hungarian Government.[4] The Conference of Ambassadors replied to Count Banffy [5] with a request that the proposed law should be passed through the Assembly by the 8th November, and to M. Beneš [6] by enclosing a copy of this request in a note addressed to him, in which they again rejected his demand for an indemnity and wittily drew his attention to the fact that ' même si son fondement juridique était établi, la créance qui en résulterait devrait forcément prendre rang après toutes celles . . . qui sont l'objet de la tâche de la Commission des Réparations '.

The draft of the promised law [7] was laid before the Hungarian Assembly on the 3rd November. The sovereign rights of Charles IV were abrogated (Art. 1) ; the rights of succession of the *Domus Austriaca* were invalidated—' an act which restores to the nation the right of proceeding to a free election of its king ' (Art. 2) ; the monarchical form of government was maintained, but the election to the throne was adjourned (Art. 3) ; the law was to enter into force on the day of promulgation. The same evening the Czechoslovak representative at Budapest conveyed verbally to Count Banffy a demand from M. Beneš that the Hapsburg Dynasty should

[1] Czechoslovak Docs. (Habsbourg) 56.
[2] The note of the 30th from the Conference of Ambassadors to the Little Entente Governments was also communicated officially to the Hungarian Government on the 31st October (Hungarian Docs., pp. 24–5).
[3] *Ibid.*, p. 23, and Czechoslovak Docs. (Habsbourg) 59. This note was communicated simultaneously by Budapest to Prague.
[4] Czechoslovak Docs. (Habsbourg) 58.
[5] *Ibid.*, Doc. 61. [6] *Ibid.*, Doc. 62.
[7] Text in Czechoslovak Docs. (Habsbourg) 64.

not only be deprived of its rights of succession but should also be declared ineligible for election in the future,[1] and the question was taken up simultaneously by Prague with the Conference of Ambassadors.[2] Consequently, on the 5th November, a demand that the Hapsburg Dynasty should expressly be declared ineligible was transmitted to the Hungarian Government by the Conference of Ambassadors.[3] This placed the Hungarian Government in a difficult position, since it was impossible to amend the text of the Bill, which had already passed its second reading, by the date required ; but, with the approval of the representatives at Budapest of the Principal Allies, the Hungarian Government offered to bind itself [4] to abide by the decisions of the Conference of Ambassadors of the 4th February, 1920, and the 3rd April, 1921, forbidding the restoration of the Hapsburgs ; to make no election without previously coming to an understanding with the Conference of Ambassadors ; and to pass a law forbidding propaganda in the Hapsburgs' favour. This offer was embodied in a formal declaration on the 10th November,[5] with which the Conference of Ambassadors declared themselves satisfied on the same date.[6] Meanwhile, on the 9th November, upon the news of the Hungarian offer, M. Beneš had announced to the Conference of Ambassadors his intention of demobilizing, on condition that the Hungarian declaration should be communicated to his Government in the name of all the Allied Powers. 'This', he explained, 'will make it possible for us to consider the solution given to this affair as a juridical act of an international character which is binding upon Hungary as well as upon all the interested states'.[7] His request was carried out to the letter in a communication from the Conference of Ambassadors dated the 15th November, 1921,[8] and therewith the incident was definitely closed and the danger of a breach of the peace averted.

The result was a substantial victory for the policy of the Little Entente and for the diplomacy of M. Beneš in particular. With the exception of an indemnity for his costs of mobilization he had obtained every one of his demands and obtained them through the action of the Conference of Ambassadors, without resort to force and without a rupture either with Hungary or with the

[1] *Ibid.*, Doc. 65, and Hungarian Docs., p. 27.
[2] Czechoslovak Docs. (Habsbourg) 66. [3] *Ibid.*, Doc. 67.
[4] By Article 3 of the draft law, the initiative in proposing candidates for the throne was reserved to the Ministry.
[5] Czechoslovak Docs. (Habsbourg) 71.
[6] *Ibid.*, Doc. 72. [7] *Ibid.*, Doc. 69. [8] *Ibid.*, Doc. 73.

Principal Allied Powers ; yet the crisis left bitterness behind and considerably retarded the restoration of a peaceful atmosphere in Eastern Europe. The Hungarian Government claimed that they had initiated military action against Charles before the receipt of the first protest from the Principal Allied Powers, and that they had called upon him to abdicate before the Little Entente Powers had decreed their mobilization, yet that in spite of this they had been subjected to superfluous and offensive threats of military sanctions from their neighbours, who had no title, in the circumstances, to intervene. The Conference of Ambassadors, in whose hands the Hungarian Government placed itself and who on two occasions congratulated the Hungarian Government on the energy and decision which it had shown in defeating Charles's attempted *coup*,[1] were humiliated by the discreet but vigorous and repeated pressure to which M. Beneš subjected them throughout the crisis ; and M. Beneš, though victorious, did not emerge from the struggle with kindlier feelings towards either the Conference of Ambassadors or the Hungarian Government.[2] In his view, the members of that Government had been hand-in-glove with Charles ; they had only taken action against Charles out of fear ; they had attempted at every stage to elude the obligations which it was sought to impose upon them, and each time they had only yielded under threats of force. Had he not been the soul of discretion, he would probably have added that nothing but threats of force had succeeded in shaking the Conference of Ambassadors out of their supineness, which was as dangerous to the maintenance of the Peace Treaties as Hungarian deceit. They had been supine, in his view, over the Hungarian activities in the Burgenland ; they did not realize the extent of the devastation which a Hapsburg restoration in Hungary would cause ; and, even when it was imminent, they were unwilling to take more than half-measures to avert it, and had left the burden and the odium of effective action to be borne by him.

The crisis had confirmed the solidarity of Czechoslovakia and Jugoslavia, but Rumania had at certain stages followed a separate line of her own, which was the less welcome to her Slav partners in so far as it coincided with the policy of Italy.[3] On the other hand,

[1] In their notes of the 27th October and the 31st October (Czechoslovak Docs. (Habsbourg) 50 and 56).

[2] See his *exposé* of the 16th November, 1921.

[3] See A. Mousset, *op. cit.*, pp. 71 *seqq.* On the 26th October, Rumania had joined Czechoslovakia and Jugoslavia in the demands presented on that date to the Principal Allies, but she had suspended mobilization pending

the Polish Government on the 24th October had declared its solidarity on the Hapsburg question with the Governments of the Little Entente.

On the 6th November a Czecho-Polish political convention was signed by MM. Beneš and Skirmunt at Prague ;[1] but the engagements embodied in it were considerably looser than those which bound together the Little Entente, and, even so, the feeling between the two countries remained too unfriendly to admit of its ratification.[2] The parties mutually guaranteed, as far as they were respectively concerned, the integrity of the territories in their possession and agreed to act in concert, for the application of the treaties which they had signed in common, 'when occasion arose' (Art. 1) ; they promised one another benevolent neutrality, involving the free transit of war material, if either were to be attacked by one of their neighbours (Art. 2) ; Czechoslovakia 'disinterested herself' in Eastern Galicia, Poland undertook 'analogous obligations' towards Czechoslovakia,[3] and either party pledged itself to suppress any movements in its territory which were directed against the other (Art. 3) ; note was taken of the political, military, and economic conventions between Czechoslovakia, Jugoslavia, and Rumania on the one hand and between France, Poland, and Rumania on the other (Art. 4) ; reference was made to a commercial convention (Art. 5) ;[4] the parties agreed to submit disputes (without reserve) to arbitration, either by arbitrators chosen *ad hoc* or by the Permanent Court of International Justice (Art. 6) ; they both pledged themselves not to contract a conflicting engagement with any third party (Art. 7) ; the agreement was to run for five years from ratification, with the right of denunciation after two years upon six months' notice (Art. 8).

On the 16th December, 1921, a Czecho-Austrian political conven-

action by the Principal Allies. On the 28th the Rumanian Minister at Budapest had joined his two colleagues in making a verbal threat to the Hungarian Government. On the other hand, M. Ionescu apparently disagreed with M. Beneš, and agreed with the Italian Government, in holding that the crisis created by Charles ought not to invalidate the Austro-Hungarian Convention of Venice regarding the Burgenland.

[1] Text in Czechoslovak *Documents diplomatiques* (Conventions d'alliance), Annex 1.

[2] It was still unratified when M. Beneš made his *exposé* of the 6th February, 1924, before the Foreign Affairs Commission of the Czechoslovak Parliament (official French text, p. 9).

[3] Apparently with reference to Hungarian designs upon Slovakia and Carpatho-Ruthenia.

[4] This was actually signed on the 20th September, 1921, before the political convention (Mousset, *op. cit.*, pp. 107–8).

tion was signed at Prague by M. Beneš and Herr Schober.[1] The parties pledged themselves to the complete execution of the Treaties of St. Germain and Trianon (Art. 1); guaranteed, as far as they were respectively concerned, the territories assigned to each by these Treaties [2] and undertook to give one another diplomatic support (Art. 2); promised neutrality in the event of an attack upon either of them by a third party (Art. 3); and pledged themselves to suppress any movements in their respective territories which were directed against the other party and to co-operate to prevent a restoration of the *ancien régime* (Art. 4). Czechoslovakia communicated to Austria her political and economic conventions with Jugoslavia, Rumania, and Poland, while Austria undertook to communicate to Czechoslovakia any similar conventions which she herself might conclude (Art. 5); it was agreed that the previous agreements between the two states should be carried out conscientiously and that outstanding issues should be settled as soon as possible (Art. 6); future disputes (without reserve) were to be settled if possible by direct agreement but otherwise by arbitration, either by arbitrators chosen *ad hoc* or by the Permanent Court (Art. 7); the present agreement was declared on both sides not to conflict with previous commitments, and both parties undertook not to conclude any agreement with a third party thereafter in contradiction with it (Art. 8); the agreement was to run for five years from ratification, with the right of denunciation after three years upon six months' notice (Art. 9). It was to be communicated to the League of Nations (Art. 11).[3]

Having been created during the year 1920 and having successfully stood on the defensive during 1921, the Little Entente found itself able, during the two following years, to develop a more constructive policy and to make its influence felt in international affairs outside the Danubian area.[4] The first occasion for this arose out of the decision taken by the Principal Allied Powers at Cannes to call a general European Conference at Genoa, for the main issues involved—namely the recognition of Russia, the economic reconstruction of Europe, and the political relations between Great

[1] Text in Czechoslovak Docs. (Conventions d'alliance), Annex 2.

[2] The Treaty of Trianon had assigned the Hungarian district of the Burgenland to Austria.

[3] It was communicated on the 3rd April and registered on the 11th April, 1922.

[4] This was the analysis suggested by M. Beneš in his speech of the 30th October, 1923, in the Czechoslovak Parliament (official French text, p. 12).

Britain and France—were all of vital interest to the Little Entente. In February, 1922, M. Beneš went on a preparatory mission to Paris and London, and on the 20th and 24th of the same month there was a conference between representatives of the three Governments at Bucarest at which a programme for Genoa was agreed upon and the dispute over the Banat outstanding between Rumania and Jugoslavia was settled. On the 2nd March, MM. Beneš and Ninčić met at Pressburg and discussed the problem of Russia. On the 9th–12th March there was a second preparatory conference at Belgrade, at which Poland was represented. In the main conference at Genoa itself the Little Entente Powers and Poland acted together with much more solidarity than they had yet been able to achieve in the local affairs of Eastern Europe,[1] and during the last of the special meetings between the Little Entente Powers, which opened on the 8th June, 1922, at Belgrade in anticipation of the Experts Conference at The Hague, it was decided that conferences between the three Governments should be held periodically in future.[2]

The first of these periodical conferences—at which Poland was once more represented as well as the three Little Entente Powers—was opened on the 25th August, 1922, at Prague, in preparation for the Third Assembly of the League of Nations.[3] It was agreed that common action should be taken to preserve the economic and political independence of Austria ;[4] that the admission of Hungary to the League should not be opposed, on condition that she definitively accepted the Treaty of Trianon ; and that the parties should act in concert on questions of minorities and frontiers.

On this same occasion MM. Beneš and Pašić negotiated at Marienbad for the renewal of the Czecho-Jugoslav political convention, which had expired on the 14th of the month, and a fresh Treaty of Alliance was signed on the 31st.[5] The object of this Treaty was

[1] For reports on the action of the East European states at Genoa see M. Beneš's speech of the 23rd May, 1922, in the Czechoslovak Parliament (*L'Europe Nouvelle*, 3rd June, 1922) and M. Bratianu's of the 29th July in the Rumanian Parliament (*L'Europe Nouvelle*, 26th August, 1922).

[2] A. Mousset, *op. cit.*, p. 147.

[3] A. Mousset, *loc. cit.* On this occasion, the initiative was taken by MM. Ninčić and Duca and not by M. Beneš.

[4] For the reconstruction of Austria, including the part played by Czechoslovakia, see III (iii) 5 below.

[5] Text in Czechoslovak *Documents diplomatiques* (Conventions d'alliance). Annex 5 ; also printed in *League of Nations Treaty Series*, vol. xiii.

declared, in the preamble, to be the maintenance of the peace settlement and the consolidation and amplification of political and economic links between the two states. The original convention was prolonged for the same duration as the new instrument (Art. 1); respective note was taken of Czechoslovakia's agreements with Rumania, Austria, and Poland, and of Jugoslavia's agreements with Rumania and Italy (Art. 2); the negotiation of a new commercial treaty was provided for (Art. 3);[1] the parties pledged themselves to concerted action and mutual diplomatic support (Art. 4); there was to be a new military convention (Art. 5); the Treaty was to run for five years from ratification, with the right of denunciation at the end of that period upon six months' notice (Art. 6); and it was to be communicated to the League of Nations (Art. 8).[2]

The Czecho-Rumanian Convention was renewed on the 7th May, 1923, and on the 28th July, 1923, the representatives of the three Little Entente states met again in conference at Sinaia.[3] Among the questions discussed were relations with Russia, the situation created in Bulgaria by the overthrow of M. Stambolisky's Agrarian Government in favour of a *bourgeois* coalition, and the possibility of admitting Greece to membership of the group, for which the time was not yet considered ripe. The most important business on the agenda, however, was the scheme for the reconstruction of Hungary on lines which had been followed with such remarkable success in Austria—a scheme which was of vital concern to the Little Entente, since, if Hungary were enabled to recover her economic prosperity without being induced to change her political outlook, her neighbours might reasonably fear that the dangers surmounted in 1921 might confront them again. The decision of the Sinaia Conference on this subject may be quoted in M. Beneš's words:

> At Sinaia the countries of the Little Entente came to an understanding concerning the new policy to be followed with regard to Hungary—a policy which must be one of reconstruction and collaboration in so far as the internal situation of Hungary will allow. Czechoslovakia, Jugoslavia, and Rumania agreed as to the economic and political conditions on which they would be prepared to consent to the suspension, for a certain period, of the mortgage on part of the Hungarian

[1] A Czecho-Jugoslav commercial treaty had been signed already at Belgrade on the 3rd September, 1920.

[2] It was registered on the 16th November, 1922.

[3] See *The Central European Observer* of Prague (issues of the 28th July and the 4th August, 1923); a dispatch from M. A. Mousset in *L'Europe Nouvelle* (11th August, 1923); and M. Beneš's speech of the 30th October, 1923.

state property. It was decided to demand a degree of financial control which would prevent the misuse of the money lent to Hungary; it was also decided to ask those of the Allies who had made concessions to Hungary in the matter of Reparation to make equivalent concessions to the Little Entente countries; it was also decided that guarantees should be required from Hungary concerning the loyal and peaceful policy which that country must pursue towards her neighbours; and, finally, it was decided to ask for a definite settlement of the question of disarmament and for the signature of a political protocol similar to the Austrian protocol signed at Geneva, which would oblige Hungary and the other countries to pursue a loyal policy of peace.

The history of the Hungarian Reconstruction Scheme will be given in the *Survey of International Affairs for 1924*, but as far as the present volume is concerned this narrative may be closed on a note of tentative optimism. The decisions taken at Sinaia marked the beginning of a stage in which the prospects of reconciliation between the victorious and the vanquished, the satiated and the penalized nations in the Danubian area, were distinctly brighter than they had been at any time since the outbreak of the War of 1914.

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3. The Disposal of German West Hungary [1]

This area, generally known as West Hungary or the Burgenland, was to be transferred from Hungary to Austria under the Treaties of St. Germain and Trianon on the exchange of ratifications of the latter Treaty. The origin of this decision and its justification have been discussed in the *History of the Peace Conference*.[2] The area consisted of a frontier strip, ranging from five to twenty miles in width, along the whole of the previous Austro-Hungarian border. It had formed part of Hungary for centuries and it had not been a separate administrative unit, but its population had always been German in language and customs. The Austrian Government had asked that it might be subjected to a plebiscite, but the Peace Conference had decided, on the 20th July, 1919, to transfer it to Austria without a vote, on the ground that a vote was superfluous. When the draft Treaty of Trianon was under discussion the Hungarian Government, while agreeing that the district was largely German, objected to the frontier drawn by the Peace Conference on the ground that part of the area to be ceded to Austria contained local Magyar or other non-German majorities. The principal local centre Sopron (in German, Ödenburg) was mentioned, in particular, as containing a large Magyar element. The objection, however, was overruled by the Conference ; the Treaty of Trianon was signed ; ratifications were exchanged on the 26th July, 1921, and the Principal Allied Powers appointed a Commission to supervise the transfer of the territory.

This Commission, which consisted of General Ferrario (the Chairman) representing Italy and Generals Hamelin and Gorton representing France and Great Britain respectively, met in Sopron on the 6th August, 1921, and fixed the 29th of that month as the date for the Hungarian withdrawal. When the day came, however, and the Austrian gendarmerie entered the area at various points, they were met by large bodies of Hungarian irregulars who unceremoniously ejected them and assumed control of the territory. The Commission of Generals, which had no forces at its disposal, found itself powerless in the face of the action of the irregulars, which the Hungarian Government represented as a national movement

[1] See *Das Verbrechen von Ödenburg* by Dr. Victor Miltschinsky (1922, Vienna, Kommissionsverlag 'Literaria'), though this is a strongly partisan statement and must be used with caution.

[2] Vol. iv, pp. 382–8.

beyond its power to check or control. The Generals acquiesced for the moment and recognized the irregulars as the police authority for the area as a temporary measure, while referring the general situation to the Conference of Ambassadors.

During September, while the Ambassadors were attempting to put pressure upon the Hungarian Government without effect, they received offers of mediation from the Italian and Czechoslovak Governments ; and, after the Ambassadors had announced publicly that there would be no objection to mediation as far as they were concerned, the Italian Government made a definite offer of mediation to the Austrian and Hungarian Governments. This was accepted, and a conference of the three Foreign Ministers was held at Venice on the 13th October. The town of Sopron, with its large Magyar element, was the key to the situation, and an agreement [1] was reached that while the Hungarian Government should take the most rigorous steps to compel the Hungarian irregular forces to evacuate the remainder of the territory, a plebiscite should be held in the town and in eight adjoining villages. The Commission of Generals was to remain at Sopron and to hold the plebiscite eight days after it had satisfied itself that the pacification of the territory was complete. The town was to vote on one day, the surrounding villages on a subsequent day. ' The Commission of Allied Generals at Sopron,' the agreement ran, ' to which one Austrian and one Hungarian delegate are attached, will exercise administrative authority (exercera les pouvoirs administratifs).' The Commission was also to make arrangements for the vote ' so that the plebiscite may take place in as simple and expeditious a manner as possible ' ; and the Commission was ' to proceed immediately to make the necessary preparations ', while the Italian Foreign Minister was to ' take the necessary steps for the sending of Allied troops to Sopron '. The Agreement, which was known as the Venice Protocol, was approved by the Conference of Ambassadors on the 27th October, 1921, the British member giving his assent on the understanding that no British troops were to be sent.

At this point some delay was caused by the second abortive attempt of the ex-King Charles to return to Budapest, which began on the 20th October and which put the execution of the Venice Protocol in jeopardy.[2] On the 9th November, however, the Conference of Ambassadors formally requested the Austrian Govern-

[1] Text in *British and Foreign State Papers*, vol. 114 (1921), p. 624.
[2] See III (iii) 2 above.

ment to ratify the Venice Protocol, and a few days later, once more at the Ambassadors' request, the Austrian occupation of the rest of the territory outside the plebiscite area was begun—this time without disturbance. On the 23rd November, at the request of the Commission, the Conference of Ambassadors agreed to send Allied troops to police the plebiscite area. The first detachment reached Sopron on the 8th December and the Hungarian forces left the area on the 12th.

Meanwhile, on the 18th November, the Commission had issued its regulations. In general, these were similar to those for other plebiscite areas—with the serious exception that the time left for the important duty of drawing up and revising the register of voters was very short, since the regulations provided that the formal declaration of pacification was to be made when the Austrian troops had completed the occupation of the rest of the territory, and that the plebiscite itself should take place in Sopron eight days, and in the villages nine days, afterwards. When, on the 4th December, the Austrian occupation of the remainder of the territory was completed, the plebiscite committees had not yet met to begin the work of revision and the Austrian delegation had only arrived at Sopron on the 29th November. In consequence, the eight days preceding the plebiscite were a period of continuous stress ; and it was out of the question that any of the committees could literally carry out the duties imposed upon them by the regulations in the time at their disposal, which was reduced to six days by the fact that the registers were declared by the Commission to be definitive on the 12th. Moreover, each committee was given two areas to deal with ; so that it only had three days at its disposal for submitting each list, containing on an average 1,600 names, to the seven successive processes prescribed by the regulations. In no other plebiscite was less than three weeks allotted for the carrying out of these operations. The Austrian delegates afterwards declared that not more than one name in ten had been properly checked, but they failed to realize until the last moment that the registers could not be made accurate in the time allotted. Even then the Austrian Government did not at once understand the situation ; and, though it asked the Conference of Ambassadors to delay the plebiscite, it failed to make clear the necessity of a longer period if the lists were to be made reliable. The Conference telegraphed on the 12th December to the Commission of Generals authorizing it to delay the voting if it thought fit. There was, however, no means of communication

between Paris and Sopron, except through the Allied Mission at Budapest, and the telegram only reached the Generals after the taking of the plebiscite had already begun. Meanwhile, on the evening of the 12th, the Austrian delegates had resigned in a body as a protest and the Austrian Government notified the Conference of Ambassadors that it refused to accept the verdict of the voting.

In these circumstances the plebiscite took place on the 14th and 15th. Allied officers were present ; the polling stations were guarded by Allied troops ; no disturbances occurred ; and some 87 per cent. of the persons inscribed on the registers were recorded as having given their votes. The polling resulted in 15,334 votes being cast for Hungary and 8,227 for Austria—seven wards of the town and two villages voting for Hungary, one ward and six villages for Austria.

The Conference of Ambassadors received simultaneously the report on the results of the voting and the Austrian Government's protest to the effect that, owing to the non-revision of the greater parts of the registers, which had been prepared solely by Hungarians, the terms of the Venice Protocol had not been observed, so that the plebiscite ought to be considered null and void. The Conference, however, which seems to have been under the impression that the real ground of the Austrian complaint was the lack of public security and the consequent intimidation of the voters, decided to inquire what proportion of the persons on the register were recorded as having duly voted. On learning that the proportion was 85 to 90 per cent., the Conference concluded that, even if the remaining 10 to 15 per cent. had voted, and had all voted for Austria, the net result would still have given a majority for Hungary. They accordingly decided, on the 23rd December, to recognize the plebiscite, and used every endeavour to induce the Austrian Government to withdraw its opposition. On the 1st January, 1922, Sopron was handed over to the Hungarian Government and on the 5th the Allied troops left the area.

On the 25th February, 1922, the Austrian Government accepted the inevitable and agreed to recognize the cession of the area to Hungary.

4. Economic Relations in the Danubian Area [1]

In the preceding portions of this section, international relations in the Danubian area during the years 1920 to 1923 have been dealt with from the political point of view, but they cannot be understood properly without also taking into consideration the economic factor. For example, the Hapsburg Monarchy had admittedly become a political anachronism long before its break-up in the War of 1914; yet, down to the establishment of the Allied blockade of the Central Powers, it had continued to perform an essential economic function, and its dissolution in the peace settlement left the 'successor states' under the necessity of providing for the performance of this function by other means, unless their general development was to be crippled permanently by economic dislocation.

The Hapsburg Monarchy had united the whole of the Middle Danube Basin in a single customs area,[2] and had linked this area up with the Adriatic coast, which was its nearest, but not its most accessible, maritime outlet. The natural outlet for the territories embraced in the Monarchy was the navigable system of the Danube and its tributaries, but this waterway opened into the Black Sea, which was remote from the main centres of economic life in Europe and was also separated from the open sea by the Straits—the navigation of which was always exposed to interruption by political disturbances. It was thus more convenient from every point of view that the Middle Danube Basin should have access to the Adriatic ports of Trieste and Fiume; and the Hapsburg Monarchy provided this access, not only by uniting the coast and the interior within the same political and fiscal frontiers, but by driving railways across the lateral mountain ranges which interposed a formidable physical barrier between the ports and their hinterland. This costly work would hardly have been remunerative for states of lesser calibre than the two partners in the Dual Monarchy as they existed before the War, and if Trieste and Fiume flourished at that time it was because they served respectively the whole of pre-war Austria (except Galicia) and the whole of pre-war Hungary.

[1] For the special economic problem created by Vienna see III (iii) 5 below.

[2] Although juridically the *Ausgleich* of 1867 had rendered the two partners in the Dual Monarchy autonomous in their fiscal affairs, they had maintained a customs union, and though the union was terminable at intervals of ten years, it was invariably renewed and lasted as long as the Monarchy itself.

Accordingly, the economic revolution entailed in the break-up of the Dual Monarchy into seven fragments—four of them incorporated, it is true, in other states but all of them now separated by fiscal barriers from one another—was still more shattering than the political revolution; and, although naturally the new economic map did not make so vivid an impression on the rest of the world as its political counterpart, it had a greater effect than any political changes upon the lives of the individual inhabitants of the 'successor states' during the five years following the Armistice. Trieste was now separated by three successive customs barriers from that part of her former economic hinterland which had passed under the sovereignty of Czechoslovakia, while Fiume, from the time of the Armistice onwards, was cut off from her hinterland completely by a barrier at the outskirts of the port itself, which for long periods resembled a military front. These are merely the two most striking examples of a general economic dislocation arising from the fact that the Peace Conference of Paris, while it had settled in general the political redistribution of territory, had left it to the 'successor states' themselves to adjust their economic relations.

The urgency and importance of the problem was not overlooked at the Peace Conference, but the attempts made there to deal with it broke down, for the new states, and in particular Czechoslovakia, were very jealous of any suggestion for continuing the privileged financial position which Vienna had hitherto enjoyed.[1] All that could be done was to prepare a Treaty dealing with a number of minor economic and financial matters arising out of the liquidation of the Monarchy, and this was eventually signed at Sèvres on the 10th August, 1920. The 'successor states', after all, were sovereign and independent, and one of the chief attributes of state sovereignty is complete liberty of action in regulating economic relations with other countries. Under the special circumstances, however, unrestricted economic 'self-determination' threatened in the Danubian area to create a vicious circle. The economic difficulties inherent in the situation embittered the existing political feuds, while, conversely, this political embitterment made the atmosphere still more unfavourable to a solution of the economic difficulties. At the same time, the Governments of the 'successor states' were not blind to the urgency of their common economic problem, and they attempted to deal with it along two lines: by a series of general conferences and by negotiating a number of commercial

[1] See III (iii) 5 below.

treaties *à deux*. In the economic as in the political field, the laborious method of pursuing a succession of precise limited objectives proved more effective, during the period under review, than ambitious projects on a larger scale.

Lack of space forbids any detailed treatment of these economic negotiations in the present volume, and for fuller information the reader must be referred elsewhere.[1] In 1921 there were two general conferences of the 'successor states' of the Hapsburg Monarchy—one held in Rome[2] on the 6th April–15th June, and the other at Portorosa on the 15th October–25th November. (The defeated 'successor states', Austria and Hungary, were represented at Portorosa but not at Rome.) At these two conferences a number of resolutions were passed which provided the framework for subsequent economic treaties *à deux* between certain of the parties. A third general conference was held in Rome on the 16th February–6th April, 1922. The commercial treaties *à deux* which had the greatest immediate effect upon international trade in the Danubian area were the provisional Austro-Jugoslav Treaty of the 27th June, 1920, the Czecho-Jugoslav Treaty of the 3rd September, 1920, the Polish-Rumanian Treaty of the 1st July, 1921, the Polish-Czecho-slovak Treaty of the 20th September, 1921, and the Polish-Jugoslav Treaty of the 29th October, 1922. There were also possibilities of economic development in the Czecho-Rumanian Treaty of the 23rd April, 1921 (though during this period there was a great diminution in the trade between Rumania and the territories formerly included in Austria, as compared with the pre-war period), in the Czecho-Hungarian Treaty of the 24th November, 1922, and in the Czecho-Italian Agreement of the 21st December, 1922, regarding transit facilities for Czechoslovak trade through Trieste. The effect of the territorial changes upon the economic importance of the navigable system of the Danube and its tributaries is dealt with below.[3]

[1] e. g. to the admirable survey in Chapter V of *La Petite Entente* by A. Mousset.

[2] The records of the Rome Conference are printed in *Conferenza di Roma fra gli Stati successori dell' antica monarchia austro-ungarica : atti e documenti* (1921, Rome, C. Colombo).

[3] See III (iii) 6 below.

5. The Reconstruction of Austria

Any one who compares the texts of the Reparation Chapters in the two Treaties of Versailles and St. Germain and observes how much they have in common, cannot fail to be struck by the contrast between the financial and economic treatment which was actually meted out to Germany and to Austria respectively during the four years after the coming into force of the Versailles Treaty. While certain of Germany's creditors pressed her so hard that they gravely compromised her ability to pay them, the creditors of Austria not only advanced her money after they had given up hope of obtaining Reparation from her at any proximate date, but even surrendered the liens which they had taken as security for these philanthropic loans in order to facilitate a scheme of reconstruction, under the auspices of the League of Nations, from which they themselves had only the most distant prospect of deriving the financial advantages legally due to them by their Treaty rights to Reparation. This attitude towards Austria, which was displayed almost from the outset [1] and which partially redeemed the reputation of West European statesmanship from the discredit cast upon it by the very different attitude adopted towards Germany, was partly a victory of good feeling and good sense and partly a reflection of obvious external differences in the situation.

Some of these differences were political and others economic, but all arose out of the fundamental difference that the German *Reich* had survived defeat in the War of 1914, whereas the Hapsburg Monarchy had been broken to pieces. The *Reich* had been deprived of its border provinces and disarmed; but the solid German core had held together, and, even within her post-war frontiers, Germany was still the largest in population of the national states of Europe. *In posse*, therefore, if not *in esse*, she remained a Great Power, and in a previous Part of this book [2] it has been described how, during the period under review, the belief that some day, inevitably, Germany would resume her pre-war position dominated the mind of France and so governed the course of international affairs in Western Europe. The Hapsburg Monarchy, on the other hand,

[1] In the covering letter to the reply of the Allied and Associated Powers to the observations of the Austrian delegation on the draft terms of peace, an assurance had been given that the Reparation Commission would be instructed to perform its functions in a humanitarian spirit.

[2] See Part II, especially the introduction.

had no compact national core to give it solidity ; and, after its fall in 1918, all the diplomatists in Europe could not have set it up again. Thus the relation of the new German-Austrian Republic to the old Hapsburg Monarchy was totally different from the relation of the new German *Reich* to its predecessor. It was true that in the juridical field, where the question had been debated during the Peace Conference of Paris between the Supreme Council and the Austrian delegation, the identity of the old and the new Austria had been insisted upon, for the purposes of the peace settlement, by the party which was dictating terms ; [1] but time was on the side of the facts, and, during the four following years, the fortunes of the new Austria were determined, in the first instance, by the palpable fact that she was not even a potential Great Power, but a minor state of lesser calibre than those ' successor states ' of the Hapsburg Monarchy which were in the victorious camp.

This actual fact had a greater influence than the memories of the past upon the policy of the Austrian Republic itself and consequently upon the policy of its neighbours. It has been mentioned already [2] that no ' vortex ' formed round Austria in the international relations of the Danube Basin under the new conditions, and the early establishment of good relations between Austria and Czechoslovakia has been described. From many points of view, the problem of existence as an independent state was not more difficult for Austria within her post-war frontiers than for her new neighbour on the north or for her older western neighbour Switzerland. Czechoslovakia and Switzerland, too, were cut off from direct access to the sea ; they, too, had to find or retain foreign markets for their manufactures. Indeed, the problem for Austria was simplified in so far as her Alpine provinces, with their predominantly agricultural population, were largely self-supporting. In two respects, however, her situation was peculiar. In the first place, her people were of the same nationality as the people of the neighbouring German *Reich*,[3] and secondly her territory contained the former capital of the Hapsburg Monarchy, Vienna. These two facts made the problem of Austria a matter of serious international concern during the period under review.

[1] See Mr. H. W. V. Temperley's illuminating account of this controversy in *H. P. C.*, vol. iv, Ch. VII, A.

[2] See III (iii) 1 above.

[3] The German-speaking populations of Czechoslovakia and Switzerland did not create a problem of the same kind, since in Czechoslovakia they were a minority while in Switzerland they possessed a Swiss national consciousness with a long tradition at the back of it.

The *Anschluss* or adhesion of the Austrian Republic to the German *Reich*, as an additional federal state, was dreaded by all the victorious states adjoining the two countries. Inoffensive in isolation, Austria would be a powerful reinforcement to German's military strength. Her population would make good the diminution of 'man-power' which Germany had suffered through the cession of territory to France, Denmark, and Poland, and her geographical position would not only place Germany in possession of the interior lines in the Basin of the Danube but would cut off the rest of Europe from direct access to Czechoslovakia and Poland. So great was the fear of this in France and the East European 'successor states' that, in Article 80 of the Versailles Treaty, Germany was compelled to acknowledge, and to undertake strictly to respect, the independence of Austria within the limits which might be fixed in a treaty between that state and the Principal Allied and Associated Powers, and to agree that this independence should be inalienable, except with the consent of the Council of the League of Nations. Since the Council could only act by a unanimous decision and France was to be permanently represented on it, this was equivalent to saying 'except with the consent of France', and on several occasions France showed her determination to keep Germany and Austria apart. The strong action taken by the Supreme Council in September, 1919, in regard to Article 61 of the Weimar Constitution of the German *Reich*, which made provision for the *Anschluss* of German Austria, has been recorded in the *History of the Peace Conference of Paris*;[1] and elsewhere in the present volume[2] it has been mentioned that, at the time of the territorial dispute between Austria and Hungary,[3] French public opinion was influenced by the fear that the union of German West Hungary with German Austria might be followed eventually by the union of German Austria with the German *Reich*. Thus the German nationality of the Austrians created a special international problem; and in the Austrian Republic itself there was a powerful current of opinion in favour of the *Anschluss*, as was indeed to be expected now that the attraction exercised by the consciousness of common nationality was no longer counteracted by the dynastic interest of the Hapsburg Monarchy. On the other hand, although the Monarchy had disappeared, its long existence had driven a wedge between the Austrians and their German kinsmen in both Prussia and Bavaria, and in the case of

[1] Vol. i, p. 347.
[2] See the introduction to Part II.
[3] See III (iii) 3 above.

the Prussians this political cleavage was accentuated by a temperamental antipathy. In these circumstances the vigorous opposition of France and her allies to the union of Austria with Germany might have decided the Austrian people to abandon the idea, if they had not been driven to seek any and every solution for the acute economic problem presented by the City of Vienna.

The problem of Vienna was a difficulty peculiar to Austria which other 'successor states' were spared.[1] For nearly four hundred years [2] Vienna had lived and grown as the capital of a great Empire; and by the outbreak of the War of 1914, when the population of the Hapsburg Monarchy had stood at over 50,000,000, the capital had come to contain about 2,000,000 inhabitants. As a result of the War, the Empire had broken up, and this great urban population, who had depended on the existence of the Empire for their livelihood, were suddenly thrown upon the resources of an otherwise predominantly agricultural state, with a total population of less than 7,000,000, which could not possibly support them. Vienna was reduced to greater straits than any contemporary city. The nearest case was that of Constantinople, which suffered in something the same way from the sudden replacement of the Ottoman Empire by a Turkish national state of less than half the size with its capital in the interior of Anatolia; but the sufferings of Constantinople could not be compared with those of Vienna in degree. Petrograd, again, was largely depopulated by the double catastrophe of the Bolshevik Revolution and the retransference of the Russian capital to Moscow; [3] but Petrograd, after all, remained part of a great Empire, and those inhabitants who succeeded in escaping from the city of destruction might hope to strike fresh roots elsewhere within the broad territories which still remained to Soviet Russia. It would have gone still more hardly with Petrograd if she had been included within the frontiers of some small 'successor state' like Finland or Esthonia, and only then would her situation have been fully parallel to that of Vienna in the new Austria. It is difficult to find a true parallel except in the dissolution of some ancient society —for example, in the last agony of ancient Rome in the time of Gregory the Great, when an urban population, congested in a city

[1] See III (iii) 4 above for the general economic situation in the Danubian area at this time.

[2] i. e. since the personal union of the Hungarian and Bohemian crowns with the dominions of the Grand Dukes of Austria in 1526.

[3] For the cultural significance of this return to the pre-Petrine tradition, see the preceding volume.

which for nearly eight centuries had been the political capital of the Mediterranean World, suddenly found the frontiers which had stood on the Rhine and the Danube pushed back almost to the city walls, with the Lombards at the gates and with no hope of succour from an indifferent Emperor on the distant shores of the Bosphorus.

Just as in the time of Gregory the Byzantine Government was unwilling to take on its shoulders the burden of Rome, so, after the break-up of the Hapsburg Monarchy in the War of 1914, all parties were anxious to evade the burden of Vienna. The Tyrol and the other rural provinces federated in the Austrian Republic did not want Vienna ;[1] the victorious ' successor states ' of the Monarchy did not want her ; even the German *Reich* did not want her for her own sake. The *Reich*, however, alone of all the neighbouring states, would have been willing to make itself responsible for Vienna as the price to be paid for securing the incorporation of the Austrian Republic as a whole ; and, until the economic consequences of the peace became catastrophic in Germany, which did not happen before the autumn of 1921, the people of Vienna looked upon the *Anschluss* as the one anchor which might save their community from being driven upon the rocks.

Probably that hope was an illusion, for, even if the *Anschluss* had been permitted by the Principal Allied Powers, there was no more scope for Vienna in a German Austria federated with Germany than in a German Austria standing alone. Vienna must again become the capital of a great Empire if she was to avoid a social collapse ; but, situated as she would have been on the outer edge of an outlying federal state, Vienna could not, if only for geographical reasons, have become the capital of the German *Reich*. She could only be the head of an Empire of which the Middle Danube Basin was the heart, and the triumph in Eastern Europe of the principle of nationality had made the reconstruction of a Danubian Monarchy impossible. Some effort was actually made, after the political break-up of the Hapsburg Dominions, to maintain Vienna as the financial centre of the Danubian area ; but this policy was strongly opposed by the peoples of the ' successor states ', especially by the Czechs, who appear to have feared the Viennese financiers as much as they feared the Hapsburg Dynasty.

It was thus inevitable that Vienna should pass through an intense economic and social crisis, of which the consequences could

[1] For the social and religious factors in the alienation of the rural districts of Austria from Vienna during this period see the preceding volume.

not be foreseen ; and the knowledge of this explains the contrast (at first sight so extraordinary) in the economic policy of the Allies when they were dealing with Germany and Austria respectively. From the outset there had been so little expectation of obtaining Reparation from Austria that the responsibility for meeting her Reparation liabilities had been imposed upon Germany in the Reparation Chapter of the Versailles Treaty ; [1] and, some time before the St. Germain Treaty had been signed or ratified, it had become plain that an attempt to exact Reparation from Austria would not be practical politics. Thus, from the economic and financial point of view, Austria was never an object of cupidity to her victorious opponents in the War of 1914 ; and, so far from being prepared to precipitate a financial and economic crisis on the chance of securing some payment for themselves, the Allied Powers (including the ' successor states ' of the ' Little Entente ' group, who were Austria's immediate neighbours) were concerned to avert a catastrophe which could not possibly profit them and would certainly expose them to serious political danger. Threatened with starvation, even the long-suffering people of Vienna might run amok, and if their *Anschluss* to Germany could always be prevented in the last resort by military force, it would be less easy to prevent them from turning in desperation to Bolshevism. After the Armistice, there had been temporarily successful communist movements in the adjoining Danubian states of Hungary and Bavaria, and in 1922 the fear that Austria might be driven over the same precipice was one of the compelling motives behind the League of Nations scheme of reconstruction.

The financial and economic provisions of the St. Germain Treaty have been described in the *History of the Peace Conference of Paris*.[2] The execution of them was entrusted to the Reparation Commission,[3] but in some respects the action to be taken was left more to the discretion of the Commission than in the corresponding articles of the Treaty of Versailles. For example, the Commission were to decide both what sum should be paid on account by Austria before the 1st May, 1921, and what part of the combined Reparation

[1] For the purport of the Treaty in this respect see *H. P. C.*, vol. ii, p. 76.
[2] Vol. v, Ch. I, Parts 1 and 2.
[3] On which the place of the Jugoslav delegate was taken, for Austrian affairs, by a common delegate of Greece, Poland, Rumania, Jugoslavia, and Czechoslovakia (St. Germain Treaty, Part VIII, Annex II, §§ 2 and 3). For the Austrian activities of the Reparation Commission see Reparation Commission, *Report*, 1920–2, Ch. XI.

bill of Germany and her Allies should be assigned to Austria ' after the Commission has decided whether Germany is in a position to pay the balance of the total amount of claims presented against Germany and her Allies and approved by the Commission '.[1] To quote the Commission themselves, ' the situation of Austria was such that from the outset the main duty of the Commission was to consider the various exceptions which had inevitably to be made to the Reparation priority, to endeavour to assist and guide the Austrian Government in its search for credits, and to supervise its administration of them, primarily in the interest of the relief creditors and, secondarily, with a view to safeguarding the [eventual] payment of a Reparation debt which might be " assigned " to Austria [at a subsequent date] '.[2] Thus, by a fortunate paradox, the body commissioned to execute the Reparation Chapter of the St. Germain Treaty became the instrument for setting the Treaty on one side and clearing the ground for a more constructive policy.

This development had begun under the régime of the Organization Committee of the Reparation Commission, before the Reparation Commission itself had entered officially upon its duties as far as Austria was concerned.[3] Immediately after the Armistice, foodstuffs had been sent into Austria, as into Germany, by the Allied and Associated Powers ;[4] but, whereas Germany had been compelled to make immediate payment in gold, Austria had perforce been granted her supplies on credit ; and, on the 1st March, 1919, a further relief credit of 30,000,000 (subsequently increased to

[1] St. Germain Treaty, Article 179. To the lay mind this text is unintelligible, for how can a balance be arrived at without first knowing what amount has to be deducted from what ? And does it not involve the heresy that the amount which Germany had to pay was to be determined by her capacity for payment ? These are mysteries which cannot be investigated here, but one inference is obvious : Article 179 of the St. Germain Treaty made the Reparation Commission omnipotent as far as Austria was concerned, for every theologian knows what can be done with an unintelligible text by an authoritative interpreter, and the Reparation Commission had been invested with authority to interpret the Reparation Chapter of the Treaty of St. Germain as well as the Treaty of Versailles (see § 12 of Annex II of the Reparation Chapter of both Treaties). During the period under review, the Commission did not fix the amount of the Austrian debt and seemed unlikely ever to do so, yet theoretically it remained possible that, at some future date, they might act in the matter at their discretion.

[2] Reparation Commission, *op. cit.*, p. 160.

[3] The Reparation Chapter of the St. Germain Treaty was brought into operation on the 17th April, 1920, *at the request of the Austrian Government*, in anticipation of the date at which the Treaty legally came into force. The Austrian Section of the Reparation Commission was established in Vienna on the 18th June, 1920.

[4] These first imports into Austria were organized and financed by Italy.

48,000,000) dollars had been furnished in equal amounts by France, Great Britain, and Italy, in return for the assignment of specific Austrian public assets as security. On the 30th May, 1919, the Austrian Government had formally undertaken to make the repayment of these relief credits a prior charge upon all its revenues, and in these circumstances the Supreme Council had requested the Organization Committee of the Reparation Commission to take up the question, not of Austrian Reparation but of Austrian relief. On the 27th October, 1919, a sub-committee set up in Vienna by the Organization Committee had reported in favour of further relief supplies of food and coal for a period of six months and the consolidation of the 48,000,000 dollar loan—the two operations to be financed by a further loan of 100,000,000 dollars—and of constituting a committee of bankers and financial experts in order to prepare a definitive scheme for Austrian reconstruction. On this basis, the Organization Committee submitted to the Supreme Council, on the 29th December, 1919, proposals for consolidating all credits already given or to be given thereafter, and all securities for such credits, under the control of the Vienna sub-committee, on condition that the Austrian Government pledged itself to alienate no public assets whatsoever,[1] to submit to the financial control of the Reparation Commission, and to prepare comprehensive plans for the financial and economic rehabilitation of the country, 'to the end that the Reparation contemplated by the Austrian Treaty might be forthcoming'. 'The suggestions of the Committee became, at a slightly later date, to all intents and purposes, the terms of reference of the Austrian Section of the Commission. The Austrian Government formally requested that the Reparation Clauses of the Treaty should be brought into operation in anticipation of the coming into force of the Treaty, and the Austrian Section of the Reparation Commission was constituted in Vienna on the 18th June, 1920.'[2]

The next step, pending the preparation of a comprehensive plan, was to broaden the basis of temporary relief by enlisting the support of ex-neutral Governments, and in April, 1920, an International Relief Credits Committee[3] was brought into existence at Paris, in consultation with which the Reparation Commission drew up a document to regulate the conditions for advances to Austria.[4] In

[1] This pledge was to extend retrospectively to the date of the Armistice of the 3rd November, 1918.
[2] Reparation Commission, *op. cit.*, p. 163.
[3] The activities of this Committee were not confined to Austria.
[4] Text in Reparation Commission, *op. cit.*, Appendices XL and XLI.

this instrument, which embodied the proposals of the 29th December, 1919, it was arranged that the Reparation Commission, in the exercise of its discretion under Article 197 of the St. Germain Treaty,[1] should authorize the Austrian Government ' to issue bearer bonds which should be a first charge upon all the assets and revenues of Austria indicated in Article 197 of the Treaty of St. Germain and should have priority over costs of Reparation under the Treaty of St. Germain, or under any Treaty or agreement supplementary thereto, or under arrangements concluded between Austria and the Allied and Associated Powers during the Armistice signed on the 3rd November, 1918 '.[2] It was this document rather than the Treaty which thenceforth ' gave the measure of the control instituted over Austrian finances, the Commission and its Austrian Section fulfilling the duties of an agent acting in the interest of the various Powers, neutral as well as Allied, which provided funds to furnish Austria with the means of subsistence '.[3]

Thus, before the Reparation Commission had existed officially for more than a few months, the Allied Governments had made greater progress towards a rational financial policy in regard to Austria—and this without controversy—than certain of them had achieved in regard to Germany four years later. At the same time, while the substitution of ' Relief ' for ' Reparation ' marked a notable moral and political advance, the Austrian problem could not be solved until ' Relief ', in turn, had given place to ' Reconstruction ', and this was the fundamental issue during the greater part of the succeeding year. The necessity for this was realized by all the expert authorities who were called upon to handle the Austrian problem, and a series of constructive proposals was made, but great difficulties were encountered in releasing Austria's remaining assets from the liens already secured over them by particular creditor Powers, and it was not until the third attempt that the ground was cleared for practical constructive operations.

[1] This Article provided that ' subject to such exceptions as the Reparation Commission might make, the first charge upon all the assets and revenues of Austria should be the cost of Reparation and all other costs arising under the present Treaty '. It is noteworthy that, *mutatis mutandis*, the same text had been incorporated in the Versailles Treaty as Article 248 ; yet in the case of Germany the discretion thus granted to the Reparation Commission remained a dead letter, whereas in the case of Austria it became the point of departure for a constructive policy.

[2] Without prejudice to the Austrian Government's obligation to make certain deliveries in kind and to bear certain non-Reparation charges under the Treaty.

[3] *Op. cit.*, p. 165.

On the 1st November, 1920, the Austrian Section of the Reparation Commission submitted a comprehensive scheme [1] which included the flotation of a substantial foreign money loan, the foundation of a privileged bank of issue, the establishment of control over the Austrian Government's finances with a view to balancing the budget, a number of drastic public economies and suggestions for increasing economic production. 'Temporary palliatives' were condemned in strong terms, and the opinion was expressed 'that in many respects it is impossible at present to enforce the Reparation Clauses of the Treaty and that the ultimate execution of the Treaty of St. Germain as a whole must be dependent upon remedial action of the most urgent and drastic character. Unless this is taken, the dissolution of all social and economic life in Austria will be automatic and inevitable, and, even if this is not accomplished by violence, the consequent suffering and distress would compel the intervention of the civilized world.' [2] On the 13th November, 1920, this document was forwarded, with a note of warning, by the Reparation Commission to the Allied and Associated Powers, but it was rejected at the Paris Conference of the 24th–30th January, 1921, and the Powers contented themselves with recording some sporadic suggestions of their own which led to no result.

A second attempt was made at the London Conference of the 21st February–14th March, 1921, when the Austrian Chancellor submitted proposals for taking advantage of the ter Meulen Scheme; [3] and on the 17th March a step forward was taken by the four Principal Allied Powers (France, Great Britain, Italy, and Japan). 'They decided, in order to enable the ter Meulen credit system to be put into operation,[4] to suspend provisionally, over a period to be fixed, all their claims against Austria for Reparation, for the repayment of Relief Bonds, and for the cost of the Armies of Occupation, provided that the other foreign Governments also consented to the postponement of their corresponding claims. It was decided to request the Powers not represented at the Conference which had claims upon Austria, either for Reparation or for Relief Credits (United States, Belgium, Successor States of Austria and Hungary, Holland, the Scandinavian countries, and Switzer-

[1] Text in *op. cit.*, Appendix XLII.
[2] *Op. cit.*, p. 165.
[3] See I (iii) 2 above.
[4] The observations of the Austrian Section on the feasibility of applying this system to Austria were transmitted by the Commission to the League of Nations in May, 1921, and will be found in *op. cit.*, Appendix XLIII.

land), to make a similar declaration. The League of Nations was invited to summon a conference of banks and credit houses to study the application to Austria of the ter Meulen Plan. The League of Nations was also to study the conditions in which it would be possible to assume control of the Austrian revenues, with a view to enabling the above decisions to be applied.'[1] The Financial Committee of the League of Nations at once met[2] and, on the 4th April, 1921, stated the main conditions on which it considered that the reconstruction of Austria could be achieved. It followed this up by sending a committee to Vienna which studied the situation on the spot from the 15th April to the 10th May and recommended a scheme which was approved by the Council of the League and forwarded to the Supreme Council on the 3rd June. This scheme, however, was not put into operation, because the negotiations with the many Governments whose consent was necessary to the release of the liens over Austria's assets could not be brought to a satisfactory conclusion.

In the meantime the actual situation in Austria was becoming so desperate that the country seemed to be on the verge of a social collapse, and recourse was had to palliatives again. In February, 1922, on the security of certain Austrian assets released by the Reparation Commission, Great Britain, France, Italy, and Czechoslovakia made fresh advances from public funds. Great Britain advanced £2,250,000; France and Italy made provision for the advance of 55,000,000 francs and 70,000,000 lire respectively; Czechoslovakia arranged to supply 500,000,000 Czech kronen; but the evil was not cured and Austria's financial disorganization proceeded. In August the krone was worth only one-tenth of its value six months before, only about one-hundredth of its value a year before, and only one fifteen-thousandth of its gold value, although it was reckoned that, between the Armistice and that date, some £75,000,000 sterling of foreign money, from all sources, had entered the country.[3]

During the London Conference of the 7th–14th August, 1922, the

[1] *Op. cit.*, p. 167.

[2] For the history of the reconstruction of Austria from this point onwards see the relevant publications of the League of Nations, especially *The Restoration of Austria: Agreements arranged by the League of Nations and signed at Geneva on October 4th, 1922, with the Relevant Documents and Public Statements* (*C. 716 M. 428*), and *The Financial Reconstruction of Austria* (issued by the Information Section of the Secretariat).

[3] £25,000,000 sterling in loans from foreign Governments, £40,000,000 in foreign purchases of the krone, and the rest in private charity.

Austrian Government made a further urgent appeal to the Allied Powers, in consequence of which the Supreme Council, on the 15th August, once more referred the Austrian situation to the League of Nations for investigation and report, while stating in reply to the Austrian Government that the Allied Governments were themselves unable to hold out any prospect of further financial assistance and that there was no hope, therefore, unless a scheme could be devised by the League of Nations which would attract money from private sources. Accordingly, on the 31st August, the Council of the League for the second time referred the financial aspects of the question to the League Financial Committee, and it followed this up by constituting an Austrian Committee of its own (on which Austria and Czechoslovakia,[1] as well as the three Principal European Allied Powers, were represented) to deal with the political side of the problem and to control the work of the technical organizations.

The Financial Committee reported that by reforms in the administration of state industrial enterprises (particularly the railways), by a reduction in the number of officials, and by increases in taxation, the Austrian Budget could be balanced within two years ; but that, in order both to cover the estimated deficit during the interval and at the same time to repay the advances made by four Allied Governments in the preceding February,[2] it would be necessary to raise 650,000,000 kronen (gold) (£30,000,000) by loans in the private market. They estimated, however, that, even if the forests and the salt monopoly were earmarked as security for a new bank of issue, the annual yield of the customs and the tobacco monopoly, under a reformed administration, would more than cover the interest and sinking fund of the loan contemplated. The report concluded with a warning that financial reforms alone would be ineffective without economic reconstruction, and that the process of rehabilitation would temporarily impose even greater personal hardships upon the Austrian people than they had suffered during the preceding years when the Austrian Government had been living from hand to mouth. ' There is no hope for Austria unless she is prepared to endure and support an authority which must endorse reforms entailing harder conditions than those at present

[1] The delegate of Czechoslovakia on this committee was M. Beneš.

[2] These loans had only been granted on condition of prompt repayment, whereas the repayment of the preceding relief-loans had been postponed for twenty years.

prevailing, knowing that in this way only can she avoid an even worse fate.'

On the basis of this report and of the political negotiations of the Austrian Committee of the Council of the League, a complete scheme of reconstruction was concluded and signed on the 4th October, 1922. 'It comprised three Protocols, with their annexes, which included the Financial Committee's report, and the signatures indicated the complete and unreserved assent, to every part of the scheme, of the Governments of Great Britain, France, Italy, Czechoslovakia, and Austria. The first of these Protocols, signed by all the above Powers and open for the signature of all countries, contained a solemn declaration that the signatories would "respect the political independence, the territorial integrity, and the sovereignty of Austria; that they would seek no special or exclusive economic or financial advantage which would compromise that independence; and that, if the occasion arose, they would refer the matter to the Council of the League and comply with its decisions". Austria herself, in the same Protocol, entered into corresponding obligations. Protocol II, with its annexes, stated the conditions of the guarantee of the loan, the obligations of the guaranteeing Governments, and the powers and duties of the Committee of Control composed of representatives of those Governments. It was signed by the four principal guaranteeing Governments and by Austria, and remained open for signature by all other countries able and willing to participate in the financial scheme. Lastly, Protocol III set out separately the obligations of Austria and the functions of the Commissioner-General, who was to collaborate with her in her programme of reform and its execution.'[1]

The object of the first Protocol was to inspire the necessary confidence, both in Austria and abroad, for initiating the financial measures of the scheme with a prospect of success. The guarantee for the projected foreign loan, which was undertaken, up to 84 per cent. of the total, in the second Protocol by four of the signatory Powers, was additional to the specific assets assigned for the service of the loan by the Austrian Government, and was intended to make doubly sure that the loan should be a success.[2] The ultimate purpose of the loan, which was to relieve the Austrian Government of the

[1] *The Financial Reconstruction of Austria*, p. 14.

[2] The interests of the Guaranteeing Governments were safeguarded by the constitution of a Committee of Control consisting of their representatives.

necessity for printing fresh paper money to cover the interim deficit during the next two years, was to clear the ground for currency reform and for the other measures contemplated in the third Protocol. The scheme assumed and regarded as essential the establishment of the proposed Bank of Issue under certain definite and specified conditions. The Austrian Government was to surrender all right to issue paper money and would not, except with special authorization, negotiate or conclude loans. The Commissioner-General was to ensure, in collaboration with the Austrian Government, that the programme of reforms was carried out and was to supervise its execution. He was to be the representative not of the Guaranteeing Powers but of the League, being appointed by and responsible to the Council of the League, of which the Austrian representative was, when Austrian matters were discussed, a full and equal member. Indeed, the Council, in approving the scheme, added a resolution that the Commissioner-General should not be drawn from any of the principal guaranteeing countries nor from countries bordering upon Austria. He was to live in Vienna and to report monthly to the Council, and his functions would end as soon as the Council judged that the financial stability of Austria was assured. A programme of reform was to be drawn up by the Austrian Government, in collaboration with representatives of the League, within one month from the date of signature.

It remains to consider how this League of Nations Scheme was carried into effect. A delegation from the Financial Committee of the League arrived in Vienna as early as the 17th October, 1922, and worked there until the 15th December, after which its duties were taken over by the League's Commissioner-General, Dr. Zimmermann (Netherlands). The Reconstruction Law, which was duly voted by the Austrian Parliament on the 3rd December, prescribed maxima of expenditure for half-yearly periods down to the end of 1924. The Austrian Parliament also passed a law conferring plenary powers on the Government to take measures for the execution of the League of Nations programme.[1]

The necessary legislation for the new Bank of Issue, including the new statutes of the Bank, was passed by Parliament on the 14th November, 1922. The inflationary issue of notes by the Government ceased on the 18th November. The capital of

[1] Some of these measures had to be approved (on short notice) by an Extraordinary Cabinet Council on which the political parties were to be represented proportionately.

30,000,000 kronen (gold) required was duly subscribed and the new Bank opened its doors on the 2nd January, 1923. This Bank, which was invested with the sole right of issuing notes, was entirely free from Government control, its Board of Directors being elected by the private shareholders, and its beneficial effects showed themselves immediately in a cessation of the 'flight from the krone' and a reflux into the Austrian market of foreign currencies and securities. 'Commercial operations previously conducted in foreign exchange were again conducted in Austrian kronen—now become one of the most stable currencies in Europe; and the gold value of the currency in circulation proved inadequate for the requirements of the market. Additional notes were printed, but, unlike those printed up to the 18th November, 1922, every additional note was covered by its full value in additional reserve of gold or foreign currency. The result was that each of the 4,000 milliard notes circulating in January was better secured than the 3,000 milliards in November; and the value of the reserves of the *Devisen-Zentrale* rose from £700,000 in October to no less than £4,000,000 by the end of the year.'[1] After the cessation of inflation on the 18th November, 1922, 'the Government successfully raised, by the 16th January, 1923, 50,000,000 kronen (gold) on six months' 8 per cent. Treasury Bonds quoted in dollars and secured on the gross receipts of the Customs and the Tobacco Monopoly, in addition to the 30,000,000 kronen (gold) raised as capital for the new Bank of Issue and 18,000,000 produced by a forced loan'.[2] With the proceeds of these loans and the balance of the credits of February, 1922, the deficits on the Budget were covered up to the beginning of February, 1923,[3] when the Control Committee of the Guaranteeing Governments authorized the issue of a short-term loan to the value of £3,500,000, in order to cover the period during which the more difficult arrangements for the main long-term loan were being completed.

This short-term loan, which was secured in the first place upon the revenues from the Customs and the Tobacco Monopoly, and was redeemable out of the contemplated long-term loan, was guaranteed by Great Britain, France, Italy, Czechoslovakia, and Belgium, and was floated, with signal success, on the markets of London, Paris,

[1] *Op. cit.*, pp. 21–2. [2] *Loc. cit.*

[3] The change in the financial situation may be measured by the fact that, during the three months ending on the 1st February, 1923, there had been an increase of more than 500 per cent. in the Austrian savings bank deposits.

Amsterdam, Brussels, Stockholm, and Switzerland. On the 16th April the Commissioner-General authorized the flotation of the long-term loan, in one set of simultaneous issues, as a twenty-year loan redeemable in 1943. Trustees were appointed by the Council of the League to safeguard the interests of the bondholders, and Guaranteeing Governments were required to deposit collateral with the National Bank of Switzerland, which was to hold it on behalf of the trustees. This time, guarantees were obtained not only from the five states which had backed the short-term loan but also from Sweden, Holland, and Denmark, and these guarantees sufficed in all to cover a loan not exceeding 585,000,000 kronen (gold) in effective yield plus expenses. 'Subscriptions to the loan were opened in London, New York, Stockholm, Amsterdam, and Vienna early in June. Later on followed the subscriptions in Switzerland, Rome, and Brussels. The London issue, which amounted to fourteen million pounds, was covered more than three times over within two hours, and the New York issue, amounting to twenty-five million dollars, was covered several times over in a quarter of an hour. The issues in Stockholm, Amsterdam, Switzerland, and Rome were also covered several times over. The subsequent prices of the loan, however, which hovered round par in London and New York, showed that it would not have been safe to attempt an issue on more advantageous terms. At the same time, the event proved that the loan system laid down by the protocols, though condemned in various quarters as too intricate and unlikely to inspire confidence in the investing public, was secure and practical.' [1]

These remarkable triumphs in the foreign money-market were only made possible, however, by the rigorous maintenance of control and progressive execution of reforms in Austria itself, in accordance with the third Protocol of the 4th October, 1922. 'The yield of the Austrian Customs and the Tobacco Monopoly (assets assigned as security for foreign loans) was paid into a separate account controlled by the Commissioner-General, who, after retaining the sums required for the service of loans, gave back the balance to the Austrian Government. The proceeds of all loans were paid into another controlled account, from which the Commissioner-General only released sums which he was satisfied were necessarily required by the Austrian Government in order to meet the monthly deficits on budget programmes which he had previously approved. Every month the Austrian Government laid before the Commis-

[1] *Op. cit.*, pp. 33–4.

sioner-General its estimates of receipts and expenditure for the following month. These were checked and approved by him, and he thus formed a decision as to the amounts which he was prepared to release. On several occasions he insisted that provisional estimates should be cut down. He never allowed the actual deficits to exceed the estimates which he had once approved, and by refusing to release sums beyond those required under the monthly estimates submitted to him he was able to exercise a decisive influence over the reform of public finance and administration.'[1] At Dr. Zimmermann's instance, the Austrian Government established a treasury control over the spending departments, cut down the number of government departments, proceeded with the progressive dismissal of officials,[2] and appointed Sir William Acworth to study the problem of reorganizing the railways.

On the whole, the prospects of success for the League of Nations Scheme appeared very favourable during the latter part of the year 1923. Certainly, as the Financial Committee of the League had predicted, public reform had been purchased at the cost of private suffering, and during January and February, 1923, the stabilization of the krone and the dismissal of officials had been reflected in a serious increase in the numbers of the unemployed. The curve of unemployment fell rapidly, however, during the spring, and unless this diminution was to be ascribed purely to the factor of seasonal variation, it indicated that, for the Austrian people as well as for the Austrian state, the crisis had been surmounted and better times were in store.

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[1] *Op. cit.*, pp. 28–9.

[2] The Government failed, however, to execute the programme of dismissals upon which it had agreed, at the beginning, with the Provisional Delegation of the Financial Committee of the League.

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6. The Definitive Statute of the Danube

The international importance of the navigable waterway of the Danube was greatly increased by the territorial and other political changes resulting from the War of 1914. Previously there had been six riparian states (Germany, Austria-Hungary, Serbia, Rumania, Bulgaria, and Russia), all of whom except Serbia possessed direct access to seaboards under their own sovereignty, and three of whom were Great Powers. It was therefore neither urgent nor feasible at that time to establish international control over the whole navigable Danubian system, and the authority of the pre-war European Commission of the Danube [1] was confined to the delta of the river below Galatz, while the conservancy of the Iron Gates, where the channel was impeded by reefs and rapids near the junction of the pre-war frontiers of Austria-Hungary, Rumania, and Serbia, had been entrusted to Austria-Hungary by a mandate of the Berlin Conference in 1878.[2] In the course of the War, however, all the old landmarks were swept away. When the Central Powers imposed peace on Rumania at Bucarest on the 7th May, 1918, they expelled Russia, France, Great Britain, and Italy from the European Com-

[1] For a brief account of the Danube Commission see *International Rivers* (No. 149 of the Foreign Office Peace Handbooks).

[2] Berlin Treaty of the 13th July, 1878, Article 57.

mission and confined its membership to 'states situated on the Danube or the European coasts of the Black Sea'[1] (that is, to the four members of the Central Alliance, together with Rumania). The Allied and Associated Powers retaliated, after their victory, by expelling all ex-enemy Powers from the Commission and reducing its membership, for the time being, to Rumania and the three Principal Allied Powers in Europe (Versailles Treaty, Art. 346). Meanwhile, the territorial disintegration of Eastern Europe had raised the number of riparian states from six to seven (Germany, Austria, Czechoslovakia, Hungary, Jugoslavia, Rumania, Bulgaria), of whom three (Austria, Czechoslovakia, and Hungary) now possessed no seaboard,[2] and none of whom were, for the time being, in the position of Great Powers.[3] It was therefore easy for the Supreme Council to insist upon an international régime from Galatz to the upper limit of navigation at Ulm; and this was now to the advantage of a majority of the riparian states, whether ex-enemies or ex-allies, for, if each section of the waterway had been left under the exclusive sovereignty of the Government in whose territory it lay, the mutual hostility and general uncertainty which were the immediate legacies of the War in the Danubian area would have debarred all parties from utilizing the waterway as a whole.

By Articles 346–53 of the Versailles Treaty, the European Commission of the Danube was reinstated (with the membership above mentioned) in the section below Galatz (Art. 346), while provision was made for the control of the section above that point by an International Commission under a definitive statute to be concluded at a later date (Arts. 347–8). On the 23rd July, 1921, this instrument was signed in Paris by representatives of all the European Allied Powers except Portugal and Poland 'in the presence and with the participation of the duly authorized representatives of Germany, Austria, Bulgaria, and Hungary', whose signatures were likewise affixed.[4]

[1] Bucarest Treaty of the 7th May, 1918, Article 24.

[2] Moreover, Jugoslavia, though she had obtained the seaboard which Serbia had lacked, opened geographically towards the Danube Basin rather than the Adriatic, and this was accentuated by the suspension of her trade through Fiume owing to the political conditions which prevailed in that port during the period under review.

[3] Germany was temporarily impotent and Russia had ceased to be a riparian after the annexation of Bessarabia by Rumania. (See III (ii) 4 above.)

[4] Text in British White Paper, *Convention instituting the Definitive Statute of the Danube* (*Cmd.* 1754 of 1922).

By the terms of the new statute, navigation on the Danube system was declared to be unrestricted and open to all flags, on a footing of complete equality, from Ulm to the Black Sea (Art. 1). The internationalized portions of the tributaries of the Danube were defined (Art. 2). The spheres of the old European and the new International Commission were delimited (Art. 3). Provision was made for subsequently increasing the membership of the European Commission, as laid down in the Versailles Treaty, by a unanimous decision of the existing members (Art. 4). The pre-war powers of the European Commission (Art. 5) and the pre-war limits of its jurisdiction (Art. 6) were confirmed, and its existence was only to be terminable by agreement among all the Governments represented on it (Art. 7). The International Commission was to be composed (in pursuance of the relevant articles of the four European Peace Treaties) of two representatives of Germany, one of each of the other riparian states, and one of each of the non-riparian states represented on the European Commission (Art. 8). The authority of the International Commission was to be confined to the waterways specified in Articles 1 and 2 (Art. 9).

The first duty assigned to the International Commission was to see that the declaration made in Article 1 was not infringed by the action of any riparian state or states (Art. 10). It was to draw up a general programme of public works for the improvement of the waterway on the basis of proposals submitted by the riparians, and was also to control and if necessary to modify the annual programmes of the riparian states for current works of maintenance in their respective sections (Art. 11). Costs for current works of maintenance were to be borne by the riparian state concerned ; but, at the request of the latter, the Commission might distribute the expenditure between it and other riparians directly interested (Art. 15). The cost of works of improvement (as opposed to works of maintenance) might be covered by navigation dues, to be imposed (with the Commission's authorization) by the riparian state which had executed the works, or by the Commission itself if it had executed them at its own charges (Art. 16). On sections of the waterway forming frontiers between two or more states, the execution and costs of necessary works were to be apportioned, failing direct agreement, by the Commission (Art. 17). Dues (which were always to be collected by the local sovereign, even when payable to the Commission) were to be assessed on the ship's tonnage and not based on the goods transported ; revenue derived from them was

to be applied exclusively to the works for which they were imposed ; and there was to be no differential treatment of flags (Art. 18).

Customs duties levied by a riparian on goods loaded or discharged at the Danubian ports in its territory were also to be levied without distinction of flag or hindrance to navigation, and were not to be higher than duties levied at other frontiers of the same state (Art. 19). There was to be no differential treatment of flags in the administration of river ports (Art. 20). Regulations for the use of free ports or free zones which riparian states might decide to establish were to be communicated to the Commission (Art. 21). The transport of goods and passengers, even between ports of the same riparian state, was to be unrestricted and open to all flags on a footing of perfect equality, subject to the observance of the national law of the local sovereign (Art. 23). Passage of goods and passengers in transit was to be free (Art. 23). The Commission was to draw up uniform police regulations which were to be enacted and applied by each riparian on its own territory under the Commission's control (Art. 24). General policing was to be carried out by the riparians (Art. 25), but their police vessels were to carry a distinctive and uniform flag (Art. 26). The Commission's administrative organization was prescribed in outline (Art. 27).

The maintenance and improvement of the Iron Gates section was to be entrusted to a special service to be set up jointly by Rumania, Jugoslavia, and the Commission, with head-quarters at Orsova (Art. 32). The Commission was to decide on special works to be undertaken (and dues to be levied for the purpose) in this section, and to have power to abolish the special régime created under Article 32 when the exceptional natural difficulties in this section had been overcome (Art. 33). At the same time, it might apply a similar régime to other sections of the waterway which offered similar difficulties to navigation (Art. 34).

The Commission was to determine its own procedure and administer its own budget—the presidency being held for six months by each delegation in turn (Art. 35). Its seat was to be at Bratislava (Pressburg) for the first five years, and thereafter at other towns on the Danube, selected at its discretion, for five-year periods in rotation (Art. 36). Its property and members were to enjoy diplomatic privileges, and it was to fly its own flag (Art. 37). It was to deal in the first instance with questions regarding the interpretation and application of the Convention ; but there was to be a special jurisdiction, set up by the League of Nations, to

deal with complaints from a state that the Commission was acting *ultra vires* or with complaints from the Commission against a state for neglecting to carry out its decisions (Art. 38).

The International Commission and the European Commission were to co-ordinate their activities so as to ensure, as far as possible and advisable, a uniform system of administration for the whole Danube (Art. 39). The states signatories were to endeavour to establish uniform civil, commercial, sanitary, and veterinary regulations for navigation (Art. 40). Existing treaties regarding international waterways generally, and particularly the Danube and its mouths, were to remain in force except in so far as they were modified or abrogated by the present convention (Art. 41). The statute might be revised after five years from the date of its coming into force, if two-thirds of the signatories so requested in regard to specific provisions (Art. 42). Certain Articles in the four European Peace Treaties were expressly declared to be unaffected by the provisions of the present Convention (Art. 43).[1]

The latest date allowed for ratification was the 31st March, 1922, but, by an additional protocol signed on that date, the period was extended to the 30th June—on which day the Convention came into force, all ratifications having duly been deposited by then.

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[1] In a final protocol, signed on the same date as the Convention itself, a number of articles in the Convention (e. g. Art. 22) were interpreted or amplified.

7. The Situation of Bulgaria and Greece

It has been seen that, during the years 1920 to 1923, the outstanding feature in the international relations of South-Eastern Europe was the encirclement of Hungary by Czechoslovakia, Jugoslavia, and Rumania in the system known as the 'Little Entente'. In this system Bulgaria, as well as Hungary, played a negative part, since one of the three bipartite treaties constituting the 'Little Entente'—namely the Jugoslav-Rumanian Agreement of the 7th June, 1921—provided for the maintenance of the Treaty of Neuilly as well as the Treaty of Trianon; but, compared with the fear of Hungary, the fear of Bulgaria was a secondary factor in bringing the 'Little Entente' into existence. This was an important change from the position as it had stood during the two years immediately preceding the outbreak of the War of 1914, yet the change related to the particular grouping of the parties rather than to the general elements of the situation.

In 1913 not Hungary but Bulgaria had been the centre of a 'vortex' in which Serbia and Rumania had been drawn into co-operation—not with Czechoslovakia (a state which at that time was still unborn) but with Greece. Indeed, in the two years 1913 and 1914 the relations of Greece, Serbia, and Rumania with one another and with Bulgaria had anticipated, *mutatis mutandis*, the relations of Czechoslovakia, Jugoslavia, and Rumania with one another and with Hungary during the period under review in this volume. The Graeco-Serb Defensive Treaty of the 19th May, 1913, which had laid the foundations of a 'Balkan Entente', was the counterpart of the Czecho-Jugoslav Agreement of the 14th August, 1920; in the earlier group, as in the later, the respective relations of Rumania with her two partners had been somewhat looser than their relations with one another; and the general object of the three parties to the Balkan understanding had been to resist a powerful outward thrust on the part of Bulgaria, who had declined to reconcile herself to the territorial settlement imposed upon her by the Bucarest Treaty of the 10th August, 1913, after the Second Balkan War, just as Hungary, during the years 1920 to 1923, declined to reconcile herself to the terms of the Treaty of Trianon and thereby brought the 'Little Entente' into being.

Why had the outward thrust of Bulgaria and the consequent cohesion between her three neighbours become so much weaker

in 1920 than it had been in 1913 ? The answer was not to be found in the terms of the Treaty of Neuilly, for this instrument had not only confirmed the territorial settlement of 1913 in so far as it had been to the prejudice of Bulgaria, but had actually modified it in directions which were still more to her disadvantage.[1] The reason was psychological. In the interval between the two dates in question, Bulgaria had actually embarked upon that 'war of revenge' of which Magyar irredentists were dreaming in 1920—and this with far better prospects of success than were presented to the Magyars at any time during the four years following the Peace Conference of Paris—and then, after momentarily occupying all, and more than all, the territories to which she had aspired, she had seen her adventure end in a second and worse defeat, whereas her neighbours had emerged from this second trial of strength with larger possessions than ever. The shock of disillusionment had produced in Bulgaria a revolution which was psychological as well as political, and the policy in which her revulsion was expressed was therefore pursued not only by M. Stambolisky and the Agrarian Party, who had come into power after the Armistice on the first wave of reaction against the interventionists of 1915, but by the *bourgeois* Government which superseded M. Stambolisky after the revolution of 1923. This policy was to accept the verdict of the War (without admitting the justice of the peace settlement on the principle of nationality) ; to re-establish good relations with the neighbouring countries in whose favour the settlement had been made at Bulgaria's expense ; and to concentrate the energies of the Bulgarian people upon internal reconstruction. The sincerity and success with which such a policy was maintained by successive Bulgarian Governments can be measured by the infrequency, during these years, of concerted action against Bulgaria on the part of Jugoslavia, Greece, and Rumania.

The only occasion on which the peace of South-Eastern Europe was threatened with a repetition of the Second Balkan War was when, on the 14th June, 1922, the Jugoslav, Greek, and Rumanian Governments addressed a joint note to Bulgaria regarding incursions into their territories by Bulgarian bands. In this crisis, Bulgaria appealed, under Article 11 of the Covenant, to the League of Nations, and the Council, which heard representatives of the four states concerned on the 18th–19th July, obtained formal assurances that

[1] See *H. P. C.*, vol. iv, Ch. VII B and Ch. VIII, as well as the map facing p. 452.

' the steps taken on the 14th June by the governments of the states bordering on Bulgaria were not of a threatening or unfriendly nature '. The Bulgarian Government did not deny the fact of the incursions, but pleaded that it had been rendered impotent to prevent them by the effect of the military clauses of the Treaty of Neuilly, since, under the social conditions existing in Bulgaria, it had proved practically impossible to recruit an army, even of the smallest dimensions, on that voluntary basis upon which all the four European Peace Treaties had insisted.[1]

It was undoubtedly true that, whatever may have been the exact extent and sincerity of the Bulgarian Government's efforts, during this period, to keep its irredentists in order, the combined results of the military and territorial clauses of the Neuilly Treaty did place Bulgaria in a difficult position. The territorial settlement had left an unredeemed Bulgarian population subject to Rumania in the Dobruja ; a larger Bulgarian population subject to Greece in Greek Macedonia and in Western Thrace ; and a much larger and very much more actively discontented Bulgarian population subject to Jugoslavia in the portion of Macedonia which had passed into the possession of Serbia in 1913. However correct might be the attitude which was observed, in regard to the unredeemed territories, by Bulgaria herself, she could not refuse asylum to the hundreds of thousands of Bulgarian refugees and exiles from these territories who flocked across her frontiers. The Macedonian exiles were particularly numerous, well organized and well armed, and in parts of Bulgaria adjoining their own homelands just over the border they created an *imperium in imperio* which the Sofia Government was genuinely unable (even if willing) to control. In these districts of Bulgaria the Macedonian revolutionaries established a base of operations for the guerrilla warfare which they were conducting against the Jugoslav Government throughout the period under review,[2] and these revolutionary activities excited occasional alarums and excursions on the part of the neighbouring states ; but the fact remains that, in these years, Bulgaria was not the main preoccupation of any one of her neighbours. Rumania was able to devote her attention to Hungary and Soviet Russia, and Jugoslavia to Hungary and the Adriatic, while Greece found her hands

[1] The Bulgarian delegation to the Peace Conference of Paris had protested against this provision, on these very grounds, in the observations upon the draft Treaty which they presented to the Supreme Council on the 24th October, 1919 (see *H. P. C.*, vol. iv, p. 413).

[2] See III (i) above.

free to embark on an attempt to establish herself upon the mainland of Anatolia.[1]

From the landing of Greek troops on the Anatolian mainland on the 15th May, 1919, down to the Armistice of Mudania by which the Greek evacuation of Anatolia was formally confirmed on the 11th October, 1922, Greece played an almost passive part in South-East European affairs. She was preoccupied with her war against the Turks overseas ; the quiescence of Bulgaria rendered co-operation between Greece and her former Allies of the Second Balkan War almost superfluous ; and while Greece was on friendly terms with Rumania, there was a noticeable coolness in her relations with Jugoslavia. This was due partly to the delay in reaching an agreement with regard to a commercial outlet for Jugoslavia at Salonica,[2] but much more to the opinion, widely held among the Serbs, that a technical as well as a moral *casus foederis* under the Graeco-Serbian Defensive Treaty of the 19th May, 1913, had arisen when Jugoslavia was attacked in 1915 by Bulgaria in alliance with the Central Powers, and that on that occasion Greece had failed to honour her treaty engagements. Indeed, owing to this feeling on the Serbian side, the Treaty, which had been contracted for ten years in the first instance,[3] was eventually denounced by Jugoslavia on the 15th November, 1924 ; [4] and this denunciation, taken by itself, might have been expected to mark for Greece the definitive severance of her previous continental relationships.

In the meantime, however, the Greek evacuation of Anatolia had taken place, and from the autumn of 1922 onwards all the circumstances combined to swing Greece back into a European orientation. She had not only seen her political ambitions on the opposite coasts of the Aegean brought to naught, but the scattered Greek population of Anatolia, upon whose presence in that country the Greek claims to Anatolian territory had been based, had been driven across the sea and had arrived as refugees in Western Thrace

[1] In the winter of 1921 an officer in the Greek expeditionary force at that time in Anatolia remarked to me, in reviewing the points in favour of Greek success in the Anatolian War, that ' Bulgaria was a corpse ' (' Ἡ Βουλγαρία νεκρός ! ').—A. J. T.

[2] See III (iii) 9 below.

[3] By the terms of the Treaty (Art. 10), the instrument ' ne pourra être dénoncé avant l' expiration de dix ans ', and then only if six months' notice were given. If not denounced at this stage, the instrument was to remain binding for a year from any date on which it might be denounced by either party thereafter.

[4] The subsequent negotiations for its renewal will be dealt with in the *Survey of International Affairs for 1925.*

and Macedonia. The attempt to solve the vast social and economic problem created by this enforced migration on so large a scale will be dealt with in the *Survey of International Affairs for 1924*. At the close of the year 1923 the International Resettlement Scheme had not yet passed its initial stage; but it may be noted at this point that, if this scheme were to succeed, one result would be a great increase in the population and productivity of Greek Macedonia. This would tend, in turn, to shift the economic centre of gravity of the Greek Kingdom from the Morea and the Peiraeus towards Macedonia and Salonica; and that process, as far as it went, would heighten for Greece the relative importance of her continental relations, since Salonica was her point of attachment to the general European system of overland communications. The value of Salonica to Greece, which she had been inclined to overlook so long as the greater prize of Smyrna seemed to be within her grasp, was likely to be realized by Greek public opinion under these conditions; and the loss of Smyrna evidently impressed upon Greek statesmen the fact that they might be in danger of losing Salonica and Dedeagach as well, unless they provided adequate facilities at these ports for the commerce of the South-East European countries in their hinterland. The Greek disaster in Anatolia was a signal for the Bulgarian Government to raise the question of the economic outlet to the Aegean which had been promised to Bulgaria under the Treaty of Neuilly, and for the Greek Government to reopen on its own initiative the question of a Serbian outlet at Salonica, which had been in suspense since 1914.[1] Dedeagach and Salonica were the termini of railways which formed an integral part of the Danubian system, and the coming into force of the Definitive Statute of the Danube on the 30th June, 1922, marked a notable stage in the creation of a new system of economic relationships in South-Eastern Europe to replace the system which had been broken up by the War of 1914.[2] As an international highway, however, the Danube had one serious drawback which has been mentioned already.[3] Its lower reaches opened into the remote and landlocked basin of the Black Sea, and this defect gave peculiar importance to the railway routes connecting the interior of the Danube Basin with the Mediterranean through ports on the Adriatic or the Aegean coasts. Since, however, owing to political causes, the economic utility of the Adriatic ports had been seriously diminished during the period under

[1] These two problems are dealt with separately below (see III (iii) 8 and 9).
[2] See III (iii) 6.
[3] See III (iii) 4.

review, as compared with the period before 1914, there had been a corresponding increase in the potential value of the Greek ports along the north coast of the Aegean and of the railway routes leading to them from Belgrade and Bucarest across Jugoslavia and Bulgaria.

Thus, by the close of the year 1923, there were strong indications that eventually the Danube Basin and the Balkan Peninsula would become embraced in a single system of economic relationships. Could a parallel tendency be detected by that time in the political sphere? It will be remembered that, at the Conference held at Sinaia on the 28th July, 1923, the three original members of the 'Little Entente' had considered the time to be not yet ripe for the admission of Greece;[1] yet, in spite of the caution with which they had become accustomed to proceed under M. Beneš's inspiration, it seemed not unlikely that, sooner or later, the political 'vortex' which had first formed round Hungary would be enlarged and solidified, by the successive inclusion of Greece, Bulgaria, and Hungary herself, into a South-East European *bloc*.

8. The Problem of Bulgarian Access to the Aegean Sea

Article 48 of the Treaty of Peace between the Allied Powers and Bulgaria, which was signed at Neuilly on the 27th November, 1919, was conceived in the following terms:

> Bulgaria renounces in favour of the Principal Allied and Associated Powers all rights and titles over the territories in Thrace which belonged to the Bulgarian Monarchy and which, being situated outside the new frontiers of Bulgaria as described in Article 27 (3), Part II (Frontiers of Bulgaria), have not been at present assigned to any State.
>
> Bulgaria undertakes to accept the settlement made by the Principal Allied and Associated Powers in regard to these territories, particularly in so far as concerns the nationality of the inhabitants.
>
> The Principal Allied and Associated Powers undertake to ensure the economic outlets of Bulgaria to the Aegean Sea.
>
> The conditions of this guarantee will be fixed at a later date.

Since the conclusion of the Armistice with Bulgaria on the 29th September, 1918, the territory thus ceded by Bulgaria to the Principal Allied Powers had been under their joint military occupation; but on the 10th August, 1920, they exercised the powers conferred upon them under the Treaty of Neuilly by signing a separate Treaty with Greece, under which they transferred the

[1] See III (iii) 2, p. 302 above.

sovereignty over this territory to her. After this they withdrew their troops and invited the Greek Government to occupy and administer the territory in their stead. This remained the situation until the opening of the Lausanne Peace Conference on the 22nd November, 1922.[1] The Thracian territory ceded to the Principal Allied Powers by Bulgaria had been placed *de facto* under Greek rule, and no attempt had yet been made to carry out the last clause of Article 48 of the Lausanne Treaty. On the other hand, the Treaty assigning Western Thrace to Greece had not yet been ratified.

In these circumstances it was agreed, at the first session of the Lausanne Conference, that the Bulgarian case in regard to Western Thrace should be heard, and it was presented to the Conference by M. Stambolisky on the same afternoon.[2] M. Stambolisky asked 'that Western Thrace should remain at the disposition of the Great Allied Powers, and that they should invest it with a régime which should really transform it into a neutral zone. Our railway system would extend across it. On its shores we would construct our ports. . . .' He added that 'it is not only impossible but also psychologically inadmissible that the access to the Bulgarian outlet on the sea should pass across Turkish or Greek territory'.

At the next meeting on the 23rd November, after an exposition of the Turkish and the Greek points of view, a sub-commission was appointed to consider the question of (*a*) demilitarized zones in Thrace and (*b*) railway communication with the Aegean and provision of a port for Bulgaria at Dedeagach. This sub-commission reported to the Conference, on the 24th of November, in the following terms :[3]

> As regards the economic outlet of Bulgaria to the Aegean Sea, the sub-commission makes the following recommendation :
>
> In order to carry out the promise of an economic outlet to the Aegean Sea made to Bulgaria in Article 48 of the Treaty of Neuilly, and to secure the freedom of that outlet, an international commission should be set up which should have the most extensive powers to undertake, by any means which it should deem necessary, the construction and equipment at Dedeagach or in its neighbourhood of a free port open to the trade of all nations.
>
> This commission, following if necessary the lines laid down by the treaty of the 10th August, 1920,[4] regarding Thrace and other similar provisions, shall likewise assure the direction, administration, develop-

[1] See British Blue Book, *Lausanne Conference on Near Eastern Affairs*, 1922–3 : *Records of Proceedings and Draft Terms of Peace* (*Cmd.* 1814 of 1923).
[2] *Op. cit.*, No. 5. [3] *Op. cit.*, No. 7.
[4] A treaty signed by the Principal Allied Powers and Greece but not yet ratified.

ment and progressive improvement of this port and its annexes, as well as the supervision of the exploitation of the railway running from Dedeagach as far as the Bulgarian frontier.

The British Empire, France, Italy, Bulgaria, Greece, Rumania, the Kingdom of the Serbs, Croats and Slovenes and Turkey shall each have a representative on this commission.

The post of president shall be filled in rotation by the representative of the three first-named Powers.

The commission shall establish its own regulations.[1]

The Bulgarian delegation rejected this proposal, on the same date, on the following grounds :

It is only by direct possession of the territory in the neighbourhood of the railway and the port, or by placing that territory under a completely autonomous régime, economically tied to Bulgaria by special stipulations, that the port of Dedeagach can be constructed, controlled and developed in accordance with the economic interests of Bulgaria.

This check was followed by private negotiations between Allied experts and the Greek and Bulgarian delegations, leading up to a formal meeting of the sub-commission on the 23rd January, 1923,[2] at which a draft convention (embodying the proposal of the 24th November, 1922) was laid before the Bulgarian representative, M. Stancioff. At this meeting M. Venizelos, while declaring his willingness to accept the draft convention, offered Bulgaria the alternative of a concession in the port of Salonica on the same terms as the Jugoslav concession, in the same port, which was at that time being negotiated between Greece and Jugoslavia.[3] ' Greece fully recognized ', he declared, ' that Bulgaria ought to have a free access to the Aegean Sea.' M. Stancioff, however, reaffirmed the Bulgarian view that the terms of the Allies' proposal were inadequate, and added that ' he did not wish to reopen the discussion '. With this, the negotiations lapsed.

9. The Jugoslav Free Zone at Salonica

The Greek port of Salonica was the natural maritime inlet and outlet for Serbia, and Serbia the natural economic hinterland for Salonica, as the international frontiers were drawn before the War of 1914. The valleys of the Vardar and the Morava were traversed by a railway connecting the Aegean Sea at Salonica with the Middle

[1] For subsequent developments of this question see *op. cit.*, Nos. 28 a and 28 b, pp. 457 and 458.

[2] *Op. cit.*, No. 28 b.

[3] See III (iii) 9 below.

Danube Basin at Belgrade, and the Graeco-Serbian frontier established after the Balkan Wars of 1912–13 cut this railway at Gevgeli, less than fifty miles from its terminus on the coast. In these circumstances it was inevitable that Serbia, who at that time possessed no coast-line of her own on any sea, should seek for special facilities in the neighbouring and convenient port which had just been acquired by her Greek ally, and it was only politic, on the Greek side, to grant Serbia an economic satisfaction which would at once increase the trade of Salonica and cement the alliance which had been concluded between the two states on the 19th May, 1913. Accordingly, a Graeco-Serbian agreement, assigning a free zone to Serbian commerce at Salonica, was signed in the spring of 1914, but its ratification was postponed indefinitely by the outbreak of the European War in the following August. As a result of that war, the minor state of Serbia became transformed into Jugoslavia, with a territory three times enlarged and a status intermediate between that of a minor state and a Great Power, whereas Greece emerged from her disastrous campaign against the Turks in Anatolia and from her eight-years-long internal dissensions as a weaker state than she had been in 1914. After the Anatolian *débacle* in the summer of 1922 it was therefore expedient for Greece to conciliate Jugoslavia in every possible way; and Jugoslavia, on her side, had as great an interest as ever in securing economic facilities at Salonica; for, although her achievement of national unity had given her a seaboard on the Adriatic, the zone of mountains that separated this coast-line from the interior was only traversed by one full-gauge railway, and that railway terminated at Fiume.[1]

The question of the Serbian Free Zone at Salonica was reopened during a visit which the Greek Foreign Minister, M. Polítis, paid to Belgrade on the 4th–5th November, 1922, and the result was that the agreement signed in 1914 was ratified—somewhat late in the day—by Greece on the 21st November. On the 21st December, however, Jugoslavia refused to ratify the existing treaty on her part, on the ground that it offered insufficient guarantees, and fresh negotiations were started, which resulted in the signature of a new agreement at Belgrade, on the 10th May, 1923, ' to regulate transit via Salonica '.[2]

[1] See III (iii) 4 above.

[2] The French and Greek texts of this convention, together with the two protocols signed at Belgrade on the same date and the four protocols signed at Athens on the 6th October, 1923, were printed in the Greek *Official Gazette*, No. 315, of the 2nd November, 1923.

By this convention Greece ceded to Jugoslavia, for a period of fifty years, an area in the port of Salonica—to be called 'the Serbian Free Zone'—which was to be at Jugoslavia's disposal and under her customs administration (Art. 1). The Zone was to remain an integral part of Greek territory and under Greek sovereignty —especially as regarded the functions of police and justice— but it was to be administered by the Jugoslav customs authorities (Art. 2). State and municipal land in the area were to be ceded gratuitously, while land in private hands was to be expropriated by the Greek Government and paid for by the Jugoslav Government (Art. 3). The officials in the Zone were to be Jugoslavs and the official language Serbo-Croat. The chief executive authority was to be vested in a Jugoslav official under the control of the Greek Captain of the Port of Salonica. The Captain of the Port was to be the only Greek official authorized to enter the Zone in the first instance for the exercise of the rights reserved to the Greek Government, but he might proceed to call in the Greek judicial authorities. The Greek customs authorities were to receive copies of the manifests of goods entering and leaving the Zone (Art. 4). Goods in passage between the Zone and Jugoslavia were to be treated as 'in transit'.[1] There was to be no Greek state or municipal taxation upon such goods, nor upon goods imported for use or consumption in the Zone (Art. 5). Installations for the service of the Zone were to be made at Jugoslavia's expense, and tolls collected were to go to her profit. Existing installations were to be ceded gratuitously if they were state or municipal property and to be expropriated and paid for if they were private property (Art. 6). The railway régime was to be regulated by a Protocol *A*, the veterinary regulations for cattle in transit by a Protocol *B*, the customs service by a Protocol *C*, and the organization of posts, telegraphs, and telephones by a Protocol A^2, all of which were to rank as integral parts of the convention (Art. 7). Jugoslavia was to enjoy 'most favoured nation' treatment in the port of Salonica, as well as any advantages (and no prejudices) that might arise from the eventual creation of a Greek Free Zone. She undertook, on her side, not to discriminate in her treatment of goods passing through the two Zones, should a Greek Free Zone be established (Art. 8). The parties pledged themselves mutually not to hinder the transit of goods and not to discriminate in their treatment of goods passing respectively through the Serbian Zone and through an eventual Greek Free

[1] In the technical sense.

Zone (Art. 9). They agreed to negotiate a further agreement for the regulation of relations arising out of the present convention (Art. 10). Articles 3 and 6 were to be executed as soon as the Greek Government was able to arrive at an understanding on the subject with the Concessionaires of the Port of Salonica (Art. 11). Disputes were to be referred to the Permanent Court of International Justice under Article 40 of its Statute (Art. 12). The French text of the convention was to prevail (Art. 13). The convention was to come into force fourteen days after ratification (Art. 14).

Appended to the convention were a description of the bounds of the Zone, and two *protocoles annexes* signed on the same date (10th May, 1923)—one providing for the appointment of a mixed delimitation commission, and the other securing to Greek nationals the advantages enjoyed by Jugoslav nationals in the transit trade via the Zone, with a reciprocal provision for the benefit of Jugoslav nationals in an eventual Greek Free Zone. Protocols *A* (railway régime, twelve articles), A^2 (posts, telegraphs, and telephones, four articles), *B* (veterinary service, six articles), and *C* (customs procedure, thirteen articles) were signed at Athens on the 6th October, 1923.

The ratifications of this convention were exchanged on the 30th May, 1924, and the Zone was actually handed over to the Jugoslav authorities on the 6th March, 1925.

10. The Delimitation of the Frontiers of Albania

The international relations of Albania, down to her admission to Membership of the League of Nations on the 17th December, 1920, have been recorded in *The History of the Peace Conference of Paris*.[1] At the close of that year, both the status and the territorial limits of Albania were still in doubt, but *de facto* the Albanian Government at Tirana was in control of most of the territories assigned to Albania in 1913 by the London Conference of the Ambassadors of the six European Great Powers of the day.[2] In

[1] *H. P. C.*, vol. iv, Ch. V, Part 2.

[2] By the Treaty signed in London on the 17th May, 1913, between Turkey and the Balkan Allies, the delimitation of the frontiers of Albania was assigned to the six European Great Powers. A Conference of Ambassadors, sitting in London, subsequently traced the entire frontier on the map and appointed a boundary commission to demarcate it on the spot. This commission delimited the southern sector, where Albania marched with Greece, and its work was embodied in a protocol signed at Florence on the 17th December, 1913, but the delimitation of the Albano-Serbian and Albano-Montenegrin sectors was prevented by the outbreak of the War of 1914.

June, 1920, the French had handed over to the Albanians the district of Koritsa,[1] which they had been administering since December, 1916; and, under a convention signed with the Tirana Government on the 2nd August, 1920, the Italians had evacuated all their holdings on the Albanian mainland.[2] Along the northern and eastern frontiers, however, which had been laid down but not delimited on the spot in 1913, Jugoslav troops were in occupation of a zone of territory on the Albanian side of the 1913 line, and in these sectors disturbances of the peace continued to occur.

On the 25th June, 1921, the Council of the League of Nations heard the representatives of Albania, Jugoslavia, and Greece in regard to an appeal lodged by Albania under Article 11 of the Covenant, and on this occasion the boundary issue was defined. The Albanian representative maintained that the frontiers of Albania, as fixed by the London Conference of Ambassadors in 1913, remained valid, and he requested the Council to send a Commission of Inquiry to the spot. The Greek and Jugoslav representatives contended that the decisions of 1913 had been invalidated by subsequent events, that their frontiers with Albania required to be re-defined, and that the Supreme Council of the Allies, or their organ the Paris Conference of Ambassadors, were alone competent in the matter. The Council resolved not to take action on the question of frontiers, on the ground that the Conference of Ambassadors had taken up the Albanian question and was discussing it at that moment, and it merely recommended the Conference of Ambassadors to come to a decision with the least possible delay; but the Albanian representative declined to recognize the competence of the Conference of Ambassadors and reserved the right to bring the question up again at the next meeting of the Assembly. Notice to this effect was duly given by the Albanian Government and a second protest against alleged Jugoslav incursions was lodged with the Council in August. An independent 'Mirdite Republic' had been proclaimed in Northern Albania, and the Tirana Government accused Jugoslavia of having actively fomented this movement towards secession. The Council referred this question to the Assembly as well as that of the frontiers.

On the 7th September, 1921, the Assembly, in turn, referred both questions to its Sixth Committee, which reported on the 26th in

[1] Assigned to Albania in 1913 by the London Conference of Ambassadors but also claimed by Greece.

[2] They remained in occupation of the island of Saseno, off Avlona.

favour of recommending Albania to accept the long-awaited decision of the Conference of Ambassadors, while at the same time suggesting that the Council should send out the Commission of Inquiry for which the Albanian Government had asked in June. On the 2nd October this report was adopted unanimously by the Assembly ; but the situation in Northern Albania was becoming so threatening that, on the 7th October, the Council resolved that the Commission of Inquiry—which was ' to report fully on the execution of the decision of the Principal Allied and Associated Powers as soon as it was given, and on any disturbances which might occur on or near the frontier of Albania '—should reach its destination by the 1st November, although it was ' to take no action until the decision of the Principal Allied and Associated Powers had been given '. On the 2nd November, the Secretariat of the League received information from the Tirana Government regarding a fresh invasion of Albanian territory by Jugoslav troops, which indicated so critical a state of affairs that the Secretary-General communicated the information by telegram to all states members of the Council. On the 7th November, after receiving this information, the British Government telegraphed to the Secretary-General as follows :

> Continued advance of Jugoslav forces into Albania being of nature to disturb international peace, His Majesty's Government desire to call the attention of the Council thereto and request that you will take immediate steps to summon meeting of the Council to consider situation and to agree upon measures to be taken under Article 16 in the event of the Serb-Croat-Slovene Government refusing or delaying to execute their obligations under the Covenant. Ambassadors' Conference have now decided frontiers of Albania, which will at once be notified to interested parties.

In consequence, the Council met in special session on the 16th November ; but meanwhile the British Government's action had brought Jugoslavia to terms by imperilling the prospects of a Jugoslav loan on the London market and causing a fall in the dinar exchange, and it had stimulated the Conference of Ambassadors into performing their function.

The Ambassadors fixed the frontiers of Albania by a decision dated the 9th November, 1921.[1] In the preamble, the line traced by the London Conference of Ambassadors in 1913 was confirmed, as well as the delimitation of the southern sector which had been

[1] This decision was communicated on the same date to the Secretariat of the League of Nations.

embodied on the 17th December, 1913, in the Protocol of Florence ; Albania was recognized by the Principal Allied Powers as a sovereign and independent state (Art. 1) ; the delimitation on the spot of the northern and eastern sectors, which had been interrupted by the War of 1914, was to be executed by a Delimitation Commission consisting of four representatives of the Principal Allied Powers (Art. 2) ; the 1913 line was to be rectified, on these sectors, at four specified points (Art. 3) ; the Delimitation Commissioners were empowered to take advisers from the states on either side of the line and to consider requests from the Governments concerned (Art. 4) ; the protocols drawn up by the commissioners were to be submitted to the Principal Allied Powers for their approval (Art. 5).

On the 14th November the Jugoslav Government replied to the Conference of Ambassadors in a note in which it protested at not having been invited to co-operate in the settlement of the frontiers but bowed to the Ambassadors' decision and undertook to withdraw its troops :

> The Conference of Ambassadors has not deemed it expedient to take into consideration the statements of our motives, the principal and only object of which is the maintenance of order and peace in the Balkans, and it has not only arrived at its decision in opposition to the wishes of the Royal Government, but has also summoned it to evacuate without delay the territory assigned to Albania. The British Government, moreover, taking its stand upon the unfounded accusations of the Tirana Government regarding the alleged declaration of war by the Royal Government against Albania, the Serb-Croat-Slovene offensive against Albania, the invasion and occupation of Albania by Royal troops and their advance into Albania as far as the town of Orochi and beyond, has summoned the Royal Government before the Council of the League of Nations, and threatens it with the application of extreme measures such as those provided for in Article 16 of the Covenant of the League of Nations. By this action a threatening situation has been created resembling that arising out of an ultimatum. Placed in this position the Royal Government states with the greatest regret, and under protest, that it bows to the decision of the Conference of Ambassadors in order to avoid the dangerous consequences of non-acceptance, while remaining firmly convinced that subsequent events connected with order and peace in the Balkans will vindicate the anticipations of the Royal Government, and the work of fixing the frontier on the ground will supply proof of the justice of its point of view.

The Jugoslav Government having pointed out, in the same note, that the frontier behind which they were invited to retire was still undelimited, the Conference of Ambassadors communicated to the Council of the League and to the Jugoslav and Albanian Govern-

ments simultaneously, on the 18th November, a detailed description of a ' zone of demarcation ' which was to be forbidden ground for both Jugoslav and Albanian troops until the delimitation had been carried out. In a covering letter to the Council of the League, the Conference of Ambassadors requested that the League Commission of Inquiry, which had already left Geneva for Albania on the 15th November, should report any violation of this demarcation zone to the Delimitation Commission of the Principal Allied Powers, which was to proceed to Albania immediately. Meanwhile, the Council of the League, in its special session, had been hearing the representatives of Jugoslavia and Albania, and on the 18th November it passed a resolution in which, after referring to the action taken by the Conference of Ambassadors and to the acquiescence of Jugoslavia, it laid down the following instructions for the Commission of Inquiry :

1. The Commission shall keep the Council informed of the retirement of both the Jugoslav and Albanian troops from the provisional zone of demarcation provided for in the decision of the Conference of Ambassadors of November 18th, 1921 ; it shall keep in touch with the Delimitation Commission whenever necessary and shall place itself at the disposal of the local authorities to assist in carrying out the evacuation so as to avoid incidents.
2. The Commission shall satisfy itself that no outside assistance is given in support of a local movement which might disturb internal peace in Albania.
3. The Commission shall examine and submit to the Council measures to end the present disturbances and to prevent their recurrence.

The Delimitation Commission appointed by the Conference of Ambassadors eventually set to work, but its labours were protracted ; the settlement of the southern or Graeco-Albanian sector was reopened ; and it was on this sector that one of the commissioners, the Italian General Tellini, and three Italian members of his staff were murdered on the 27th August, 1923, with consequences which are recorded in this volume under another head.[1]

The Commission of Inquiry, after examining the situation on the spot and conferring at Scutari with the Delimitation Commission, reported to the Council of the League on the 19th April, 1922.[2] On the basis of this report and of a request made on the 25th March by the Albanian Government, the Council decided, on the 12th May,

[1] III (iii) 11.

[2] See the League of Nations publication, *Albania : General Report of the Commission of Inquiry and Resolution adopted by the Council on May 14, 1922.* (Extract No. 3 from *L. N. O. J.*, 9*d.*)

that one of the members of the Commission should return to Albania as an observer, that the Economic and Financial Commission of the League should send experts to Albania to report on the possibilities of economic reconstruction, and that steps should be taken for the appointment by the League of a Financial Adviser to the Albanian Government. The Financial Committee entrusted the preliminary investigation to Professor Albert Calmès (Luxembourg), who reached Albania in July and reported in September.[1] On the 3rd February, 1923, the Council decided that M. Sederholm (Finland), who had been serving in Albania since the previous June as representative of the Commission of Inquiry, should be retained in the country until the arrival of the League Financial Adviser, and M. Hunger (Netherlands) was chosen for this post by a subcommittee of the Council to which the appointment had been referred. M. Sederholm made his final report on the 6th April, and M. Hunger arrived at Tirana on the 31st May, 1923. His views and recommendations were conveyed in a series of three reports, covering the period from the 1st June, 1923, to the 24th January, 1924.[2]

11. The Janina Murders and the Italian Occupation of Corfù [3]

On the 27th August, 1923, the Italian General Tellini, who was engaged, on behalf of the Conference of Ambassadors, in delimiting on the spot the frontier of Albania [4] in the sector where it marched with Greece, was murdered by persons unknown on Greek soil in the neighbourhood of Janina, together with four companions—three of whom were Italian nationals, like General Tellini himself, and one an Albanian.

On the 28th and 29th August the Italian Minister at Athens demanded, first verbally and then in writing, the arrest and punishment of the assassins, and on the 30th the Greek Foreign Minister promised, in a verbal note, to use his best endeavours to this effect; but in the meantime, on the 29th August, the Italian Minister had presented to the Greek Government seven specific demands, to which

[1] League of Nations publication, *The Economic and Financial Situation of Albania: Report by Professor Albert Calmès regarding his Mission of Inquiry* (Annex presented to the Council by the Financial Committee of the Provisional Economic and Financial Committee at its Eighth Session, Geneva, September 1922, 1*s.* 6*d.*).

[2] Printed in *L. N. O. J.*, January and May, 1924.

[3] The full texts of almost all the relevant documents are printed in *L'Europe Nouvelle*, 6th October, 1923.

[4] See III (iii) 10 above.

a reply was required within twenty-four hours. The points demanded were :

(1) A full and formal apology by Greece.
(2) A solemn funeral service for the victims in the Catholic Cathedral at Athens.
(3) The Italian flag, hoisted by an Italian squadron off Phaleron, to be saluted by Greek battleships flying the Italian flag, the salute not being returned till the departure of the Italian squadron at sunset the same day.
(4) and (5) Greece to carry out within five days a very strict inquiry ' with the assistance of the Italian Military Attaché '.
(6) All persons found guilty to be sentenced to death, and Greece to pay Italy within five days 50,000,000 lire (say £500,000) as a penalty.
(7) Military honours to be paid to the bodies of the victims on embarcation.

Both the occasion and the substance of these demands (particularly points 4 and 5) were ominously reminiscent of the Austro-Serbian crisis of July, 1914, and the Greek reply was of the same tenor as the Serbian. In a note delivered within the Italian time-limit, the Greek Government substantially accepted points 1, 2, 3, and 7 but rejected 4, 5, and 6 as ' outraging the honour and violating the sovereignty of the State '. A new factor, however, had been introduced into international relations since 1914 by the creation of the League of Nations, and the Greek Government declared in the same note that ' if, contrary to expectations, the Italian Government were unwilling to recognize the satisfaction given as adequate ', it would ' appeal to the League of Nations in accordance with the Covenant and undertake to accept its decisions '.

The Italian reply to this was the occupation of the Greek island of Corfù—one of the most important strategic positions in the Mediterranean, the neutralization of which had been a matter of international concern since 1863. An Italian squadron appeared in Corfù harbour on the 31st August ; its commander demanded the hoisting of the white flag over the citadel ; and when compliance with this demand was delayed, he proceeded to bombard the citadel, which was obsolete as a fortress and was at that time being used to house Greek and Armenian refugees from Anatolia. Fifteen of these unfortunate people were killed and many more wounded by the Italian shell-fire—after which troops were landed and Corfù was subjected to Italian military occupation.[1]

[1] Several small adjacent islands belonging to Greece were also occupied during the next few days.

On the same date (the 31st August) the Greek Government formally referred the Italian ultimatum—though not the bombardment and occupation of Corfù [1]—to the Council of the League of Nations, under Articles 12 and 15 of the Covenant; but next day (the 1st September) there arrived at Athens a note from the Conference of Ambassadors (drawn up at a meeting of the 30th August) protesting against the murder of their agents and calling upon Greece to institute an immediate inquiry; and on the 2nd September the Greek Government not only assented to this demand, but further declared its willingness to accept in advance any decisions at which the Conference of Ambassadors might arrive. By that date, therefore, the Graeco-Italian case had come before two tribunals—before the Council of the League on the initiative of Greece herself and before the Conference of Ambassadors on their own initiative, to which Greece had submitted.

On the 1st September, when the case was first discussed in the Council, the Italian representative, Signor Salandra, denied the competence of the Council to take cognizance of it, on the ground that it was already (i. e. since the 30th August) being handled by the Conference of Ambassadors. This contention was challenged by Lord Robert Cecil (Great Britain) and M. Branting (Sweden) and the question was temporarily adjourned. Meanwhile, Signor Mussolini intimated from Rome that if the case were left in the hands of the Ambassadors' Conference (on which Italy would sit as one of three judges upon a Greek misdemeanour) he would eventually evacuate Corfù without further trouble, whereas if the League intervened he might occupy the island indefinitely. On the other hand, the conduct of the Italian Government was strongly condemned by the public opinion of the minor and intermediate states, which found a forum in the Assembly of the League (then holding its Fourth Session at Geneva) and a leader in the representative of Great Britain. Although the Assembly was not officially seized of the affair, the fact that this feeling was manifested not only by the West European ex-neutrals but by Belgium, Poland, and the members of the Little Entente had a profound effect upon the policy of France, and so, both directly and indirectly, upon that of Italy.

[1] The instructions on which this note was drafted by the Greek representative at Geneva, M. Politis, appear to have been dispatched from Athens before the arrival at Corfù of the Italian squadron. On the other hand, M. Politis refrained throughout from drawing the attention of the Council officially to the events at Corfù (see H. Wilson Harris, *Italy, Greece, and the League*. London, 1923, League of Nations Union).

At a meeting of the Council on the 4th September, M. Polítis proposed that the Council should appoint one or more neutral representatives to supervise the judicial inquiry already begun in Greece and also to assist in the work of a Commission of Inquiry which the Greek Government had suggested on the 2nd September to the Conference of Ambassadors; that the indemnity to the victims should be fixed by a commission of one Italian, one Greek, and one neutral representative, who should be appointed by the Council and should sit at Geneva; and that Greece should deposit forthwith in a Swiss bank 50,000,000 lire (the sum demanded outright by the Italian Government in the sixth point of the note of the 29th August) as a guarantee. On the 5th, however, Signor Salandra communicated to the Council the 'irrevocable opinion' of the Italian Government 'that the Council of the League of Nations should not proceed to take action on the request of Greece', and the Council again adjourned—though not until Lord Robert Cecil had caused Articles 10, 12, and 15 of the Treaty of Versailles (which were, of course, identical with the Articles of the same number in the Covenant of the League) to be read aloud in French and English, as a reminder that the Italian Government's contention struck at the Treaties which were the basis of the whole system of Europe as it had emerged from the War. The Council was threatened with an *impasse*, but next day (the 6th September) its members drew up, at an informal meeting, a plan of settlement which was laid before the Council formally the same afternoon and was immediately dispatched to Paris for the Conference of Ambassadors' information; and this plan was adopted, with unimportant modifications, by the Ambassadors on the 7th[1] and accepted at their instance on the 10th by the Greek Government.[2]

Briefly,[3] points 1, 2, 3, and 7 of the Italian demands of the 29th August, which had been accepted by Greece on the 30th, were embodied as the first four points in both the Council's scheme of the 6th and the Ambassadors' note of the 7th. For the rest, the Council omitted the Italian demand for the infliction of the death penalty upon persons convicted of the crime, and proposed to substitute for an inquiry on the spot 'with the assistance of the Italian military

[1] The note appears to have been drawn up on the 7th and presented on the 8th.

[2] The adoption of the plan by the Conference of Ambassadors had automatically involved its acceptance by Italy.

[3] The full texts of the Italian demands of the 29th August, the Council's plan of the 6th September and the Ambassadors' note of the 7th September are set out, in parallel columns, in Wilson Harris, *op. cit.*, pp. 18–20.

attaché ' an inquiry on the spot by a Greek Commission supplemented by representatives of all the three Principal Allied Powers,[1] and the supervision by representatives of the League of the Greek judicial proceedings, while Greece, instead of paying 50,000,000 lire to Italy outright, was to deposit that amount in a Swiss bank until the Permanent Court of International Justice had decided the question of the indemnity under its rules of summary procedure. These latter proposals of the Council, which approximated more closely to M. Polítis's offer of the 4th September than to the Italian Government's demands of the 29th August under the same heads, were incorporated by the Ambassadors in their note of the 7th, with the additional provisions that the delegates of the three Principal European Allied Powers attached to the Greek Commission of Inquiry on the spot should be under the presidency of a Japanese representative ; that the work should be completed not later than the 27th September ; that the Allied delegates should have executive authority in the conduct of the investigation ; that they should report to the Conference of Ambassadors ; and that this report should be the basis on which the Permanent Court should render its judgement in regard to the indemnity. In inviting the Greek Government to accept these conditions, the Ambassadors ' took note of the fact that the Italian Government confirmed that the occupation of Corfù and the adjacent islands had no other purpose than that of obtaining fulfilment of the demands which the Italian Government had submitted to the Greek Government, and that these demands were covered by the above conditions laid down by the Conference '.

The acceptance of the terms by Greece thus appeared to ensure a settlement which would be comparatively satisfactory from the practical point of view of the immediate controversy, although incidentally questions of principle had been raised which might involve the entire status of the League of Nations. Even this limited expectation, however, was disappointed by a decision of the Ambassadors taken on the 13th September,[2] in which, after arranging for the detailed execution of the first four points contained in their note of the 7th, they laid down that the Inter-Allied Supervisory Commission should begin its labours at Janina on the 17th ; that within five days, at the latest, it should submit a preliminary telegraphic report ; and that, in the event of the guilty parties not

[1] As the principals of the Conference of Ambassadors, for whom General Tellini had been acting, all three Powers were concerned.

[2] Text in G. Glasgow, *The Janina Murders and the Occupation of Corfu.* (London, 1923, Anglo-Hellenic League.)

being discovered by then, the Commission should notify the conditions under which the search for them had been carried out.

> Acting upon this report, the Conference shall decide whether the fifth condition of its Note of the 8th September may be regarded as fulfilled. In the event of this condition not having been fulfilled, as the Italian Government has announced its decision to evacuate Corfù in any circumstances by the 27th September, the date fixed by the Conference for the termination of the inquiry, the Conference reserves the right to notify Greece of measures of another nature which may be taken with regard to Greece by the Allied Powers by way of coercion or penalty. The latter measures may consist, for example, of the payment to Italy of 50,000,000 lire, in which case the Conference will request the Permanent Court of International Justice at The Hague to liberate the security deposited by Greece, and will forgo all recourse to The Hague in accordance with paragraph 7 of the Note of the 8th September, except that Italy may apply to the Hague Court individually for her occupation costs.

In the preliminary report [1] which they duly telegraphed to the Ambassadors on the 22nd, the Inter-Allied Commission of Inquiry observed that

> in the present stage of their labours, . . . they could not yet formulate a firm, definitive and unanimous opinion on the responsibilities incurred in the outrage of August 27th. . . . The inquiry carried out by the Hellenic authorities after the crime certainly shows cases of negligence on the part of those authorities, but the observations made up to this date are not complete or decisive enough to allow the Commissioners to judge whether the Greek Government ought to be held responsible for the cases of negligence revealed, or whether these negligences are the result of the defective organization of a police administration which disposes of imperfect means of criminal investigation. For the moment the Italian Commissioner, for reasons more particularly of a moral order, inclines rather to the first hypothesis, while the other three Commissioners incline to the second.

The majority of the Ambassadors appear to have held the same views of morality as the Italian Commissioner, for, without publishing the report, they announced on the 26th September [2] that several negligences on the part of the Greek Government had been noted; that in consequence the fifth condition of their note of the 8th September could not be regarded as fulfilled; and that by way of penalty the Greek Government should pay to the Italian Government the 50,000,000 lire which it had deposited on the 10th September with the Swiss National Bank. The Ambassadors 'took note in this connexion that the Italian Government declared that it

[1] Text of preliminary and final reports in *op. cit.*
[2] Text of *communiqué* in *op. cit.*, p. 12.

would carry out on the 27th September the decision previously taken to evacuate Corfù on that date', and the evacuation duly took place.

No doubt the non-Italian members of the Ambassadors' Conference congratulated themselves on having removed the possibility of a permanent Italian occupation of Corfù, which was the darkest cloud in the background of the international landscape, since this would have not only violated the principle of nationality but have upset the balance of power in the Mediterranean. The price paid, however, was extremely heavy, for the final report [1] of the Commission of Inquiry, which they presented after their recall to Paris on the 27th September, was at least as inconclusive as their first telegram, so that a flagrant injustice had been done, while the affair had also cast doubt upon the fundamental prerogatives of the Council of the League of Nations. For the particular act of injustice towards Greece there was no remedy, since Greece had placed herself unreservedly in the Ambassadors' hands on the 2nd September; but the Council took prompt action to establish its own position. On the 28th September the following statement was made by the President of the Council, Viscount Ishii (Japan), to the Assembly:

> At its meeting of the 22nd September, 1923, the Council asked a Committee of Jurists to formulate questions with regard to certain points concerning the interpretation of the Covenant and other matters of international law, which the Council had had under consideration.
>
> The Committee submitted to the Council, on the 26th September, the following questions:
>
> 1. Is the Council, when seized at the instance of a Member of the League of Nations of a dispute submitted in accordance with the terms of Article 15 of the Covenant by such a Member as 'likely to lead to a rupture', bound, either at the request of the other party or on its own authority, and before inquiring into any point, to decide whether in fact such description is well founded?
>
> 2. Is the Council, when seized of a dispute in accordance with Article 15, paragraph 1, of the Covenant at the instance of a Member of the League of Nations, bound, either at the request of a party, or on its own authority, to suspend its inquiry into the dispute, when, with the consent of the parties, the settlement of the dispute is being sought through some other channel?
>
> 3. Is an objection founded on Article 15, paragraph 8, of the Covenant the only objection based on the merits of the dispute on which the competence of the Council to make an inquiry can be challenged?

[1] Text in *op. cit.* This report brought out the fact that, owing to the proximity of the scene of the crime to the Albanian frontier, it was impossible for the Greek Government to conduct an effective inquiry without the co-operation of the Albanian Government.

4. Are measures of coercion which are not meant to constitute acts of war consistent with the terms of Articles 12 and 15 of the Covenant when they are taken by one Member of the League of Nations against another Member of the League without prior recourse to the procedure laid down in those articles ?

5. In what circumstances and to what extent is the responsibility of a State involved by the commission of a political crime in its territory ?

The Members of the Council being in agreement that any dispute between Members of the League likely to lead to a rupture is within the sphere of action of the League and that, if such dispute cannot be settled by diplomacy, arbitration or judicial settlement, it is the duty of the Council to deal with it in accordance with the terms of Article 15 of the Covenant ; the Council decides that these questions shall be referred to a Special Commission of Jurists for an opinion as to the answers to be given.

After deliberating from the 15th to the 24th January, 1924, the Commission of Jurists returned the following replies, which were approved by the Council on the 13th March : [1]

1. The Council, when seized at the instance of a Member of the League of Nations of a dispute submitted in accordance with the terms of Article 15 of the Covenant by such a Member as ' likely to lead to a rupture ', is not bound either at the request of the other party or on its own authority, and before inquiring into any point, to decide whether in fact such description is well founded. The Council may at all times estimate the gravity of the dispute and determine the course of its action accordingly.

2. Where, contrary to the terms of Article 15, paragraph 1, a dispute is submitted to the Council on the application of one of the parties, where such a dispute already forms the subject of arbitration or of judicial proceedings, the Council must refuse to consider the application. If the matter in dispute, by an agreement between the parties, has already been submitted to other jurisdiction before which it is being regularly proceeded with, or is being dealt with in the said manner in another channel, it is in conformity with the general principles of law that it should be possible for a reference back to such jurisdiction to be asked for and ordered.

3. Where a dispute likely to lead to a rupture is submitted to the Council, on the application of one of the parties, in accordance with the provisions of Article 15, paragraph 1, the case contemplated in paragraph 8 of Article 15 is the only case in which the Council is not to inquire into the dispute. In particular, the reservations commonly inserted in most arbitration treaties cannot be pleaded as a bar to the proceedings. The Commission considers it desirable to observe that, where the case arises, the Council should, in determining the course of its action, have regard to international engagements such as treaties of arbitration or regional understandings for securing the maintenance of peace.

[1] In the debate on these replies MM. Branting (Sweden) and Guani (Uruguay) criticized the reply to the fourth question as lacking in precision.

4. Coercive measures which are not intended to constitute acts of war may or may not be consistent with the provisions of Articles 12 to 15 of the Covenant, and it is for the Council, when the dispute has been submitted to it, to decide immediately, having due regard to all the circumstances of the case and to the nature of the measures adopted, whether it should recommend the maintenance or the withdrawal of such measures.

5. The responsibility of a state is only involved by the commission in its territory of a political crime against the person of foreigners if the state has neglected to take all reasonable measures for the prevention of the crime and the pursuit, arrest and bringing to justice of the criminal. The recognized public character of a foreigner and the circumstances in which he is present in its territory entail upon the state a corresponding duty of special vigilance on his behalf.

In announcing the Italian Government's approval of these replies, Signor Salandra conveyed to the Council the hope that this ' would be regarded as a proof of Italy's loyal adhesion to the essential principles of the Covenant '.

PART IV

THE ISLAMIC WORLD

Introduction

The fundamental problem of the Islamic World during the years 1920–3 was its relationship with the West, and the developments in this relationship after the War of 1914 have been discussed in the preceding volume. The present Part deals with concrete questions arising in the diplomatic field, and even here it only covers a fraction of the ground, since most of it has been covered already in the *History of the Peace Conference*.[1] The reason for this is not that the *History of the Peace Conference* has trespassed beyond its proper limits, but that during the years 1920–3 the movement of events in the Middle East lagged far behind that in Europe. In Western and even in Eastern Europe the Peace Treaties had already been made and were being put into execution, whereas in the Middle East the first abortive Peace Treaty between Turkey and the Allies was not signed until the 10th August, 1920, and the final Treaty of Lausanne not until the 24th July, 1923. Owing to the circumstances in which the *History of the Peace Conference* was written—circumstances which were imposed by the course of events just mentioned—the account of the Lausanne Treaty in volume vi is inadequate; but lack of space forbids any attempt either to cover the same diplomatic ground more thoroughly in the present volume or to give an account of the Graeco-Turkish War in Anatolia (15th May, 1919, to 11th October, 1922), the military events of which are taken for granted in the *History of the Peace Conference*. The history of these campaigns, like the history of the Russian Revolution down to the final dispersal or expulsion of the 'White' armies by the Soviet Government of Moscow, has been omitted from the

[1] Vol. vi, Ch. I, 'The Near and Middle East': Part I, 'The Secret Agreements affecting the Near and Middle East' and a 'Brief Sketch of Turkish territorial settlements publicly proposed since the Armistice'; Part II, 'The Non-Arab territories of the Ottoman Empire since the Armistice of the 30th October, 1918'; Part III, 'The Emergence of Arab Nationalism'; Part IV, 'The Independence of Egypt'; Part V, 'The Liberation of Persia'.

present volume as being a belated incident in the War of 1914 rather than an integral part of the history of the post-war period. The story of the relations between Turkey, Greece, and the Western Powers; between the British Empire and Egypt; between the British Empire, Soviet Russia, and Persia; and between the independent states of Arabia, the ex-Arab provinces of Turkey, the mandatory Powers, and the League of Nations, will be taken up, from the point to which it has been carried in volume vi of the *History of the Peace Conference*, in the *Survey of International Affairs for 1925*, and the alterations in the status of Tangier will be dealt with in the same volume. In respect of the Islamic World, the scope of the present volume is almost entirely confined to questions which had only an indirect connexion with those peace settlements following the War of 1914 to which the Principal Allied Powers were parties. Such were the relations between Turkey, Soviet Russia, and the peoples of Transcaucasia (in which the Western Powers were involved but were successfully deprived of the initiative by the diplomacy of Moscow and Angora), and the relations between the British Empire, Soviet Russia, and Afghanistan. The inauguration of a new régime in the Black Sea Straits and the rectification of the frontier between the French protectorate of Tunis and the Italian possession of Tripoli, in pursuance of Article 13 of the Treaty signed in London on the 26th April, 1915, are the only transactions discussed in this Part which can be classified as executions of Treaty provisions arising out of the War of 1914 in which the Principal Allied Powers were directly concerned.

(i) The Status of British Subjects in Tunis and in the French Zone in Morocco

On the 8th November, 1921, four nationality decrees were promulgated in Tunis and the French Zone in Morocco—two by the Bey and the Sultan respectively and two by the French Government as the Protecting Power in either country. The decrees of the two native rulers declared to be Tunisian and Moroccan subjects, respectively, all persons born in the two territories of persons likewise born there, except citizens, subjects, or *ressortissants* of the Protecting Power; while the French decrees conferred French nationality on persons born in the same two territories of parents one of whom was justiciable as a foreigner by the French tribunals of the protectorate and was born in the protectorate. These decrees

conflicted with British nationality legislation, and in Tunis they actually affected a number of persons of Maltese origin who were claimed by the British Government as British subjects but whom the French Government proceeded to treat as French citizens—for example, by calling them up for service in the French Army.

The British Government protested against this application of the decrees and suggested recourse to arbitration ; the French Government refused ; and the British Government consequently brought the matter before the Council of the League during its Twenty-first Session, under Article 11 of the Covenant. After the French and British representatives on the Council had agreed that the Permanent Court of International Justice should be asked for an advisory opinion as to whether the subject of dispute was or was not solely a matter of domestic jurisdiction, and further that, in case of an opinion in the negative, they would refer the whole question to arbitration or to judicial settlement under conditions to be agreed upon, the Council formally referred the question to the Court on the 3rd October, 1922 ; the parties deposited their counter-cases on the 23rd December ; and their representatives were heard at an extraordinary session on the 8th January, 1923, the question before the Court being :

> Whether the dispute between France and Great Britain as to the nationality decrees issued in Tunis and Morocco (French Zone) on 8th November, 1921, and their application to British subjects is, or is not, by international law, solely a matter of domestic jurisdiction (Art. 15, paragraph 8, of the Covenant of the League of Nations).

On the 7th February, 1923, the Court announced its conclusion that the decrees were not a matter which by international law lay solely within the jurisdiction of France, and that the Council of the League had jurisdiction to deal with the dispute as brought before it by the British Government ; whereupon the representative of the French Government proposed, on his Government's behalf, to submit the whole dispute to the Court for judgement. The British Government's representative reserved his reply, and on the 24th May the two parties came to a direct agreement, embodied in an exchange of notes, under which Tunis-born children of British subjects themselves born in Tunis were to be entitled to decline French nationality (on the understanding that this right would not extend to succeeding generations), while in the parallel case of Morocco, which had no practical bearing for the time being, they decided to maintain their respective positions while reserving all their rights.

This incident was notable from both the political and the legal point of view. The question was the first that was submitted to the Court with reference to a case between two nations, and the opinion given by the Court defined the scope of the 'exclusive jurisdiction' of states in the complex situation where there was not a single and unrestricted sovereign Power but a protecting and a protected Government whose relations were partly based upon international treaties to which third states were parties. Since, under Article 15, paragraph 8, of the Covenant, matters which by international law were solely within the domestic jurisdiction of a state were not within the competence of the Council of the League except with the consent of the state concerned, the precise definition of the formula of 'exclusive jurisdiction' was a point of great international importance.

(ii) The Rectification of Frontier between the Italian and French Possessions in North Africa

In Article 13 of the Treaty which was signed in London on the 26th April, 1915, by the representatives of Italy on the one side and of France, Great Britain, and Russia on the other, and in virtue of which Italy intervened in the War against the Central Powers, it was provided as follows :

> In the event of France and Great Britain increasing their colonial territories in Africa at the expense of Germany, those two Powers agree in principle that Italy may claim some equitable compensation, particularly as regards the settlement in her favour of the questions relative to the frontiers of the Italian colonies of Eritrea, Somaliland and Libya and the neighbouring colonies belonging to France and Great Britain.

As a result of the War, all the former German colonies in Africa fell into the hands of the British Empire, France, and Belgium ; and, although it was decided that the new holders should not annex these territories but should administer them as mandatories of the League of Nations, it was recognized that Italy was entitled in the circumstances to put forward claims under the Article quoted above.

The rectification of the frontier between Italian Somaliland and the British Kenya Colony, at the expense of Great Britain, was the subject of long negotiations, which did not result in the signature of an agreement until 1924.[1] On the other hand, the rectification of the

[1] See *Survey of International Affairs for 1924.*

Franco-Italian frontier in North Africa was arranged in an agreement signed on the 12th September, 1919, by the two Governments, which was approved by the French Parliament on the 31st January, 1923. The effect of the territorial change was to straighten out the three Italian salients terminating in Ghadamès, Ghat, and Tummo, by removing the two French salients which had previously intervened between them. The result was to place the chains of wells connecting these three points entirely inside the Italian frontier, and so to bring this section of the (latterly little frequented) caravan route between Lake Chad and the Mediterranean under unbroken Italian control.

(iii) Relations between Soviet Russia, the Transcaucasian Republics, and Turkey from the Armistice of Mudros (30th October, 1918) to the signature of the Treaty of Lausanne (24th July, 1923)[1]

Ever since the signature, on the 21st July, 1774, of the Peace Treaty of Kuchuk Kainarja, which gave the Russian Empire a territorial outlet upon the Black Sea[2] and opened to Russian merchant ships the passage through the Straits between the Black Sea and the Mediterranean,[3] an irreconcilable conflict of interests over the control of the Straits had been the determining factor in Russo-Turkish relations.[4] The farther Russia extended her Black Sea littoral and the more she developed the ports and colonized and cultivated the hinterland, the greater grew the tension between the two Black Sea Powers; for while the political, military, and naval control over the outlet and inlet to the Black Sea remained, as before, in Turkey's hands, an increasing proportion of an increasing volume of trade that passed to and fro through this passage consisted of exports from and imports into Russia. This, rather than any disputes over territory or frontiers, was the ineradicable cause of Russo-Turkish misunderstanding, for, on local territorial questions, settlements were proved not to be impossible.

It was true that disputes over territory had often been the occasion of Russo-Turkish wars in the past. Since 1878, however, the two

[1] See Zourab Avaloff, *The Independence of Georgia in International Politics, 1918–21* (Paris, 1924, Imprimerie de Navarre, in Russian); and *Documents and Materials with regard to the Foreign Policy of Transcaucasia and Georgia* (published in Russian by the Georgian Government, 1919, Tiflis).

[2] By Article 3. [3] By Article 11.

[4] From 1475 (when the Osmanlis annexed the Genoese settlements in the Crimea) until 1774, the Black Sea had been an 'Ottoman lake', in which no shipping that did not fly the Ottoman flag was allowed to ply.

empires had been segregated from one another in the Balkan Peninsula by the two national states of Rumania and Bulgaria; and in the years 1919–23, during which the conflict over the Straits was temporarily suspended by the interposition of other Powers to whom both parties were hostile, Russia and Turkey succeeded in agreeing upon a frontier in Transcaucasia, though in this area the restoration of direct contact between them after its interruption through the temporary emergence of buffer states in 1918 might have been expected to give rise immediately to acute friction.

In Transcaucasia the vital interest of Russia was to recover and retain control over the oil-fields of Baku, upon which the economic life of European Russia was largely dependent, and also (though this was of less importance to her) over the pipe-line connecting Baku with the port of Batum on the Black Sea. The strategic and sentimental interest of Turkey, on her side, was to recover and retain possession of the fortress of Kars, which commanded the north-eastern escarpment of the Anatolian plateau, in a district largely inhabited by a Muslim population.[1] These essential interests were not incompatible, and therefore agreement was not found to be impossible in the extraordinary circumstances of the time, when both Powers were ready to sacrifice their wider territorial ambitions in this quarter to the immediate exigencies of co-operation against dangerous common enemies into whose hands had passed the control of the Straits and the Black Sea.

The abnormal factor in the situation during the years 1919–23 was that Russia and Turkey, who had shared the exclusive control of the Black Sea continuously for almost a century and a half, were temporarily isolated from one another by a number of other parties. The main features in the local history of those years were the increasing co-operation and increasing success of Moscow and Angora in eliminating these interlopers and the renewed estrangement between the old rivals as soon as the completion of the process left them once more face to face with one another, with the problem of the Straits still unsolved.

This abnormal and therefore historically interesting state of affairs was produced partly by the separation of the Transcaucasian provinces from Russia, which had begun at the outset of the Revolu-

[1] Turkey had been compelled to cede the three districts of Kars, Ardahan, and Batum to the Russian Empire in 1878, and they had been retroceded to her by Soviet Russia in the Peace Treaty of Brest-Litovsk (3rd March, 1918). The Muslim population of the Kars district contained both Turkish and Georgian elements.

tion and had culminated in May 1918 in the establishment of the three independent national states of Georgia, Erivan, and Azerbaijan,[1] and partly by the first Article in the Armistice made at Mudros between the Allied Powers and Turkey on the 30th October, 1918, which transferred the naval control of the Straits (and therewith of the Black Sea) from Turkey to the Allies.[2] This extension of their sea-power enabled the Allies immediately to establish direct political and military liaisons with the Russian 'White' movement under General Denikin (who had been barely holding out in the Kuban district with his back to the Caucasus), and with the new states in Transcaucasia which have just been mentioned (that is, the two predominantly Christian Republics of Georgia and Erivan or Russian Armenia, and the Republic of Azerbaijan which had a predominantly Muslim and Turkish-speaking population). Denikin was supplied with technical assistance and munitions; the line of the Transcaucasian Railway between Baku and Batum was occupied directly by British forces;[3] and Article 11 of the Mudros Armistice empowered the Allies, at their own convenience, to order the withdrawal of the Turkish troops in Transcaucasia to the line of the pre-war frontier between the Russian and Ottoman Empires. Since at this moment all the local Governments on either side of the Caucasus were hostile either to Turkey or to Soviet Russia, it seemed a possible course for the Allies, if that were their policy, to organize them into a 'sanitary cordon' which would isolate the outcaste Governments of Moscow and Angora from one another effectively and forestall the danger of co-operation between them. Indeed, during the greater part of the year 1919, the prospects of

[1] Between the signatures of the Peace Treaty of Brest Litovsk and the Armistice of Mudros the three Transcaucasian nationalities, which had formed a Transcaucasian Federal Republic from the 20th September, 1917, to the 26th May, 1918, and had then broken up into three states, had been compelled to accept the terms dictated by Turkey and the Central Powers. An agreement had been signed by Georgia with Germany at Poti on the 28th May, and Peace Treaties by Georgia, Armenia, and Azerbaijan with Turkey at Batum on the 4th June. Thereafter German troops had occupied Georgia and Turkish troops the other two republics, while there had been an abortive British occupation of Baku from the 4th August to the 15th September, 1918. The four diplomatic instruments that have just been mentioned were never ratified, owing to the military collapse of Turkey and the Central Powers a few months after their signature.

[2] Other clauses in the Armistices with Turkey and Germany removed German and Austrian nationals from Turkey, Georgia, the Ukraine, and Rumania.

[3] A detachment of the Mesopotamian Expeditionary Force reoccupied Baku on the 17th November, 1918, and a detachment of the Salonica Army landed at Batum on the 27th December.

the Turkish Nationalist movement and the Russian Bolshevik movement appeared equally dark. Both movements had been forced to retreat from the former capital of their respective countries to a base in the interior. Constantinople, the political and strategic nerve-centre of Turkey, was in the hands of the Allies; while Petrograd—starved, depopulated, and threatened by the 'White' army of General Yudenich—had become untenable for the Soviet Government. Nor were even Moscow and Angora safe from aggression. Denikin almost reached Moscow in October, 1919, and the Greek Army Angora in August, 1921.

At the same time the Moscow and Angora Governments had two important factors in their favour. In the first place, Transcaucasia was so remote from the main field of interest of the surviving Allied and Associated Powers that they grudged every expenditure of money and energy in this area. Nothing but the military vacuum created by the collapse of Russia had drawn them into it, and they were anxious to shake off all commitments there at the earliest possible date, now that operations in the European theatres of war had come to an end. Even Italy, who was straining to pick up scraps from rich men's tables in Tropical Africa, refrained at the last moment from undertaking a mandate over the mineral wealth of Transcaucasia which she had been offered by the Supreme Council and had actually accepted; the United States scarcely nibbled at the bait;[1] and under the combined pressure of conscripts and tax-payers the British troops were progressively withdrawn—on the 28th August, 1919, from the whole of Transcaucasia except Batum, and on the 7th July, 1920, from Batum also. In the second place, such efforts as the Allied Powers did make in Transcaucasia were largely frustrated by the cross-currents of hostility between the local elements whom they were attempting to organize and support; and, in proportion as the Allies withdrew, these elements more and more exhausted their energies in conflicts with one another.

In January, 1919, Major-General Thompson, commanding the British force at Baku, had to stop a war between Erivan and

[1] The American Colonel Haskell came to Transcaucasia as High Commissioner of the Allied and Associated Powers in July, 1919, and shortly afterwards a special mission, under Major-General James G. Harbord, was dispatched by President Wilson to report on conditions in Turkey, Armenia, and Transcaucasia. (For the text of General Harbord's report, dated the 16th October, 1919, see *International Conciliation*, No. 151 of June 1920.) Neither of these missions led to practical results.

Georgia over the disputed territory of Borchalu, disband the Armenian irregulars who were operating in the debatable borderlands of Erivan and Azerbaijan under General Antranik,[1] and lay down a line of demarcation in the hope of preventing encroachments by General Denikin (who, with the assistance of the Allies, had just driven the Bolsheviks out of Ciscaucasia) upon the Georgian Republic along the Black Sea coast and the Muslim highland republic of Daghestan towards the Caspian. Between January, 1919, and the British evacuation in August, this line had to be twice revised, because General Denikin had advanced beyond it and could not be induced to retire. These were sporadic manifestations of standing quarrels which prevented any co-operation between the local elements, on their own initiative, against the common dangers threatening them from Angora and Moscow. It is true that the three Transcaucasian Republics all agreed in being anti-Bolshevik ; but Azerbaijan and Georgia were less hostile to the Bolsheviks than to Denikin, who was their immediate neighbour and who hardly disguised his intention of suppressing their national liberties if he succeeded in overthrowing the ' Red ' régime in Great Russia, whereas Armenia—at variance with both her Transcaucasian neighbours and threatened by Nationalist Turkey—was of necessity Denikin's friend. In regard to Turkey, again, Georgia—hemmed in between Denikin and Armenia—was inclined to be neutral, while Turkish-speaking and Muslim Azerbaijan was Turkey's natural ally. All these local divergences of interest were so many potential advantages for the common cause of Angora and Moscow.

The evacuation of Transcaucasia by the British troops in August, 1919, and the sudden and complete collapse of General Denikin in the following November and December (by February, 1920, the Soviet Government had recovered not only Ciscaucasia but Central Asia, including Transcaspia) enabled Moscow and Angora to enter into practical contact with one another. An agreement between them appears to have been concluded in November, 1919, and this was not very effectively countered in the *de facto* recognition of the three Transcaucasian Republics by the Allied Powers in January, 1920. A second agreement between Moscow and Angora followed in March, 1920 ; while at the San Remo Conference (19th–26th April, 1920 [2]) Lord Curzon attempted in vain to bring about

[1] Guerrilla warfare broke out here again after the British evacuation in August, 1919.

[2] See I (ii) above.

an alliance between Georgia, Erivan, and Azerbaijan. A few days later, on the 27th–28th April, events of first-class importance occurred at Baku. The Musāwat or 'Democratic' Government of Azerbaijan was overthrown by a *coup d'état* on the part of the Union and Progress or Ittihad Party;[1] a Soviet Republic was proclaimed; and the city was immediately occupied, according to a prearranged plan, by the Eleventh Army Corps of the Soviet Government of Russia, which had been stationed on the northern frontier of Daghestan, along the Caspian coast, since Denikin had been driven out of Ciscaucasia at the close of 1919. The army of the Azerbaijan Republic was partly disbanded and partly incorporated in this Eleventh Corps of the Russian Bolshevik Army. To all intents and purposes Azerbaijan was once more under the direct control of Russia; the oil of Baku was again available for Russian use; and the city itself afforded an admirable base for further diplomatic or military advances in the directions of Georgia, Armenia, Persia,[2] and Central Asia.

The representatives of the Moscow Government at Baku immediately began to play off the Transcaucasian peoples against one another. In May and June, 1920, there were Bolshevik risings in several districts of the Armenian Republic of Erivan, while at the same time the Armenian minority in the Elizavetpol district of Azerbaijan assisted the Russians to suppress a nationalist rising among the Tatars. The Menshevik Government of Georgia, whose policy had been to hold aloof from their neighbours since the political separation of the three Transcaucasian peoples on the 26th May, 1918, did not attempt to intervene outside their own borders, but defended themselves successfully against a first tentative attack by the Russian Bolshevik forces in Azerbaijan and then concluded treaties establishing friendly relations with Soviet Azerbaijan on the 7th May and with Soviet Russia on the 6th June, 1920. The latter treaty contained an official recognition of the independence of Georgia on the part of the Moscow Government. After the 7th July, however, when the British garrison was withdrawn from

[1] This party appears to have been modelled on the celebrated party of the same name in Turkey, and the *coup* is said to have been carried out with the aid of Turkish agents and officers, who were eliminated by the Russians after the Russian Bolshevik occupation.

[2] On the 18th May, 1920, the Soviet Russian forces seized Denikin's Caspian fleet in the Persian port of Enzeli and temporarily occupied Resht next June, forcing a detachment of British troops to withdraw to Kazvin. For the decisive effect of these operations, which were based on Baku, upon Anglo-Persian relations, see *H. P. C.*, vol. vi, p. 215.

Batum,[1] the aggression of Moscow and Angora against the buffer states became more active, though the two Powers were careful to leave Georgia in peace until they had settled with Erivan.

Towards the end of July, 1920, the Moscow Government sent an ultimatum to Erivan demanding acceptance of a draft treaty which had been presented to the Armenian Government in June but had been rejected by them because it stipulated for the transport of Russian troops over the Armenian railways and for a provisional Russian occupation of the districts in dispute between Erivan and Azerbaijan. A second refusal was followed by invasion, and on the 10th August, 1920, the Armenian Government signed this treaty with Moscow under duress. On the same date, by an ironical coincidence, the Armenian Republic was recognized *de jure* by the Allies, when they permitted Armenian representatives to sign the Treaty of Sèvres.

Meanwhile, the Erivan Republic had also incurred the hostility of the Turkish Nationalists on several accounts: because the British Army of Occupation, before leaving Transcaucasia, had re-established the Erivan Government in the possession of Kars and part of the Ardahan district,[2] which Turkey had ceded to the Russian Empire in 1878 and Soviet Russia to Turkey by the Treaty of Brest Litovsk; because the draft Peace Treaty with Turkey [3] had provided that President Wilson should be invited to lay down a line across the Ottoman vilayets of Trebizond, Erzerum, Bitlis, and Van for the future frontier between Armenia and Turkey,[4] the effect of which would be to transfer to Armenia an as yet uncertain amount of territory which had been under Ottoman sovereignty before the War of 1914, and which was at this time in the Turkish Nationalists' hands; because the Erivan Government were believed by the Turks to be co-operating with the 'Pontic' Greek revolutionaries in the vilayets of Trebizond and Sivas; and, finally, because the Armenian Republic controlled the greater part of the railway communications between Erzerum, in Turkey, on the one side and Baku (via Alexandropol and Tiflis) on the other. Since the Western Allied Powers still commanded the Black Sea from their naval base in the Bosphorus, it was vital to the Turkish

[1] Batum was handed over to Georgia on condition that she granted Armenia and Azerbaijan free access to the port across her territory.

[2] At the same time, parts of Ardahan and the whole of Batum had fallen to Georgia.

[3] i. e. the draft of what became the Treaty of Sèvres.

[4] Article 89. President Wilson accepted the invitation and eventually announced his award, which of course remained without effect.

Nationalists, in their war with the Greeks, that the alternative overland route by which they might receive munitions from Soviet Russia should not remain in hostile hands.

Before the end of September, 1920, Kiazym Kara Bekir Pasha, commanding the Turkish Eastern Army at Erzerum, launched a surprise attack upon the territory of the Erivan Republic. Whether he was executing or anticipating instructions from Angora is not clear, but a diplomatic mission from Moscow to Angora was already on its way, and its arrival—early in October—was followed by a series of conferences at Baku and Erzerum between representatives of Soviet Russia and Nationalist Turkey,[1] at which the two Powers probably came to an agreement upon the terms which they subsequently imposed upon the small states lying between them. On the 12th October the Armenian forces fell back from the line of the 1914 frontier towards Kars, and on the 13th Moscow sent an ultimatum to Erivan, demanding immediate acquiescence in the territorial terms of the Treaty of Brest-Litovsk, which the Erivan Government refused. On the 21st October Kiazym Kara Bekir captured Kars, the principal fortress in Armenian territory, and a Muslim rising in the Alexandropol district, to the rear of the Armenian army, forced the Armenian high command to ask for an armistice on the 7th November. The Turkish peace terms included the cession of approximately three-quarters of the territory of the Republic on what had been the Russian side of the Russo-Turkish frontier of 1914; and, when the Armenians attempted to parley, Kara Bekir recommenced his advance and did not renew the armistice until the disputed district of Alexandropol was in his hands. Fortunately for the Armenians, however, these Turkish gains at their expense had been balanced by corresponding Bolshevik successes against the Russian 'Whites'. On the 31st October, the Soviet forces had broken through General Wrangel's lines at Perekop, and on the 14th November, 1920, Wrangel's army evacuated the Crimea. The Bolsheviks thus found their hands free for intervention in Armenia, and at the beginning of December the remnant of Armenia was saved by a Bolshevik *coup d'état*, which overthrew the pro-Ally Dashnakist Government [2] and substituted a Government which was little else than a disguise for the dominion of Moscow. As a result, no doubt, of pressure from Moscow upon Angora, this new Govern-

[1] The Soviet Government of Azerbaijan was also represented.

[2] A remnant of the Dashnakist Army held out in the mountainous borderland between Erivan and Azerbaijan until the summer of 1921.

ment was able to conclude peace with Angora on terms which restored Alexandropol to Armenia and laid down, as the new Turco-Armenian frontier, the line of the rivers Arpa Chai and Aras, down to the point where the right bank of the latter river struck the frontier between Turkey and Persia.[1]

Georgia, with her compact territory, strong national tradition, and advanced socialization (which rendered her 'Proletariat' largely immune against communist propaganda), was the last of the three Transcaucasian Republics to succumb; but her doom had been made inevitable by the short-sighted particularism which had prevented these 'successor states' from co-operating with one another at a time when, in combination, they might still have held their own. On the 27th January, 1921, the independence of Georgia was at last recognized *de jure* by the Principal Allied Powers in Western Europe; but in Transcaucasia she was now isolated, and it was a territorial dispute between Georgia and Armenia which gave Russian statesmanship its opportunity to bring Georgia to destruction. The debatable district of Borchalu had been neutralized, under Armenian administration, as a result of the British mediation in January, 1919; but towards the close of 1920 the Dashnakist Government of Erivan, on the eve of its fall, had temporarily entrusted the administration of the district to Georgia, and the Georgian Government had not handed it over to the Soviet Government at Erivan by which the Dashnakists had been succeeded. The first stroke in the Russian campaign against Georgia was a rising of the Armenian and Russian population in this Borchalu district, which broke out on the 12th February, 1921; on the 18th February the new 'Red' Army of Soviet Armenia was mobilized; and on the 20th February there was a simultaneous offensive on the part of the Eleventh Soviet Russian Army Corps, from the direction of Azerbaijan, though the Moscow Government throughout disclaimed responsibility for what was happening. On the 22nd February Angora sent an ultimatum to the Georgian Government demanding the cession of Artvin and Ardahan, which, together with Batum, had been ceded by Russia to Turkey under the Treaty of Brest-Litovsk. To this the Georgian Government consented on condition that at the same time the Turks should occupy Batum temporarily, apparently in order to prevent it from falling into the

[1] In subsequently settling the frontier between Erivan and Azerbaijan, the Moscow Government took care to interpose a zone of Armenian territory, on the right bank of the Aras, between Turkey and Azerbaijan.

hands of the Bolsheviks. The Turks accordingly occupied Batum on the 11th March, while the Georgian Government, after evacuating Tiflis on the 25th February, signed an armistice with the Russians on the 14th March, and on the 17th a convention under which they again invited a foreign occupation of Batum—this time by the 'Red' Army. On the 17th March fighting broke out in Batum itself between the Georgian and Turkish forces, and the Georgians, now backed by the Russians, succeeded in ejecting the Turks from the town. On the 19th a truce was arranged by the commanders of the Russian advance-guard, which had arrived on the scene. On the same day the personnel of the Georgian Menshevik Government, together with the British diplomatic mission which had been stationed at Tiflis since the withdrawal of the British troops in August, 1919, evacuated Batum by sea; a Soviet Republic of Georgia was proclaimed; and the Turkish forces subsequently withdrew to the southern parts of the Batum district. The last geographical barrier across the overland communications between Nationalist Turkey and Soviet Russia had fallen, and simultaneously the first symptoms of divergence between the policies of Moscow and Angora had appeared. These symptoms, however, were of little significance so long as the Black Sea Straits, and therewith the Black Sea itself, remained under the naval control of the Principal Allied Powers. Until this common menace to their major interests had been removed, Moscow and Angora still had the strongest possible motive for standing together. At the time when Georgia was being overrun, a diplomatic mission from the Angora Government, headed by the Foreign Minister Yusuf Kemal Bey, was negotiating in Moscow for a general settlement between the two Powers; and on the 16th March, 1921, one day before the occurrence of the curious incident at Batum, a Treaty of Alliance was signed in Moscow by the Russian and Turkish representatives.

In this Treaty [1] either party agreed 'not to recognize any peace treaties or any other international acts, the acceptance of which might be imposed by force' on the other. In particular, the Soviet Government agreed 'not to recognize any international acts [2] bearing on Turkey and not recognized by the National Government of Turkey at present represented by her Great National Assembly'.

[1] English translations of the text in the *Manchester Guardian*, 27th September, 1922, and in *Current History*, November, 1922. For the Russo-Persian, Russo-Afghan, and Turco-Afghan treaties which were also negotiated and signed at Moscow at this time, see IV (iv) below.

[2] e. g. the Treaty of Sèvres.

'Turkey' was defined as meaning the territories included in the National Pact of the 28th January, 1920.[1] Her north-eastern frontier was now laid down from the point where it touched the Black Sea to the point where it abutted on Persia (Art. 1). Turkey agreed to concede to (the Soviet Republic of) Georgia the suzerainty over the port and city of Batum, and over the parts of the Batum district north of the frontier laid down in Article 1, on condition that the local population should be granted a wide administrative, cultural, and religious autonomy [2] and that goods in transit from or to Turkey through Batum should be duty free (Art. 2). The Nakhchevan district, within boundaries indicated in a supplement (1 B) to the Treaty, was to be autonomous under the protection of Azerbaijan, on condition that the latter Republic should not cede this protectorate to any third state. The boundaries of the Nakhchevan district were to be delimited by a mixed commission on which Turkey, Erivan, and Azerbaijan were to be represented (Art. 3). 'Realizing the contact between the national liberating movement of the peoples of the East and the struggle of the workers of Russia for a new social order', both parties solemnly recognized 'the right of these peoples to freedom and independence, as well as their right to choose a form of government in accordance with their wishes' (Art. 4). 'In order to guarantee the freedom of the Straits and the free passage through them for trade relations of all peoples', the two parties agreed 'to hand over the final drawing up of an international statute governing the Black Sea and the Straits to a special conference of delegates from the littoral states, on condition that the decisions made by the conference should not infringe the full sovereignty of Turkey or the security of Turkey and her capital, Constantinople' (Art. 5). All previous Russo-Turkish treaties and other obligations were declared null and void (Art. 6). Russia renounced her capitulatory rights in Turkey (Art. 7). Either party pledged itself not to harbour, in territories under its own effective control, *soi-disant* governments or other organizations hostile to the other party. This pledge was to hold good in regard to the Soviet Republics of the Caucasus, 'on condition of mutuality' (Art. 8). Without prejudice to the frontier regulations of the two countries, the parties pledged themselves to develop, by mutual

[1] Text in *H. P. C.*, vol. vi, Appendix II.

[2] This condition was afterwards fulfilled by the erection of this district into the Autonomous Socialist Soviet Republic of Ajaria within the framework of the Georgian Republic. (In Russian 'Ajaria', in Georgian 'Ajara', in Turkish 'Ajaristan'.)

agreement, their railway, telegraphic, and other means of communication with one another (Art. 9). Citizens of either country resident in the territory of the other were to be subject to the laws of the latter except in regard to obligations concerning national defence. Questions of ' personal statute ' were to be regulated in a special agreement (Art. 10). Citizens of either country resident in the territory of the other, were also to benefit by the principle of most-favoured nation treatment; but the rights in Russia of citizens of the Soviet Republics allied with Russia and the rights in Turkey of citizens of Muslim countries allied with Turkey were not to count in this connexion (Art. 11). The property rights of inhabitants of transferred territories were mutually guaranteed (Art. 12). The exchange of prisoners of war was provided for (Art. 13). The early conclusion of a consular convention and other economic and financial conventions was contemplated (Art. 14). With the exception of Article 13, the Treaty was to come into force as from the exchange of ratifications.

In a further clause (Art. 15) of this Moscow Treaty, Russia bound herself ' to undertake, in relation to the Transcaucasian Republics, the steps necessary for the recognition by those Republics, in the treaties which they would conclude with Turkey, of the articles in the Moscow Treaty which directly concerned them ' ; and this undertaking was fulfilled by the signature at Kars, on the 13th October, 1921, of a Treaty between the Angora Government of the one part and the Soviet Governments of Georgia, Erivan, and Azerbaijan of the other. This instrument [1] reproduced, *mutatis mutandis*, all the relevant provisions of the Moscow Treaty, with additional clauses providing for the delimitation of the north-east frontier of Turkey on the spot by representatives of the four parties and also of the Moscow Government (Art. 4) ; for the local régime along the frontier between Turkey and Georgia (Arts. 7 and 8) ; for the repatriation of refugees (Art. 14) ; and for the grant of an amnesty to ' war criminals ' (Art. 15).

On the 2nd January, 1922, there was signed at Angora a Treaty between the Government of the Turkish Great National Assembly and the Soviet Republic of the Ukraine, the provisions of which were identical, *mutatis mutandis*, with those of the Treaty of Kars, except for three Articles.[2] In these Articles the independence of the Ukraine was recognized by Turkey ' within the limits defined in

[1] Text in *Current History*, February, 1923.
[2] For the text of these Articles, see *Current History*, February, 1923.

treaties concluded between the Ukraine and the Soviet Republic of Russia, as well as with other neighbouring states' (Art. 2); mutual pledges were given by the two parties that they would resist any proposal for internationalizing the river mouths on the Black Sea without their active participation (Art. 5); and the early elaboration of a sanitary statute for the Black Sea ports was contemplated (Art. 14).

In this group of Treaties the independence of the three Transcaucasian nationalities was maintained in form, but the terms of Article 15 of the Moscow Treaty presupposed that this form was a mere formality and that the Soviet Republics of Georgia, Erivan, and Azerbaijan were, as was the fact, under the effective control of Moscow. It was not long before even the formality was swept away, for on the 12th March, 1922, the Moscow Government compelled the three Republics to federate into a Transcaucasian Socialist Federal Soviet Republic, which was itself federated with the Russian Socialist Federal Republic under the Constitution of the 6th July, 1923.[1]

In writing the epitaph of these short-lived 'successor states' of the Russian Empire in the Middle East, it would not be wholly correct to describe the cause of death as either suicide or murder. One reason, no doubt, why Georgia, Erivan, and Azerbaijan so quickly lost their newly-won independence was that they all alike refused to make those mutual concessions which were the necessary preliminaries to any co-operation between them, and to this extent they brought their fate upon themselves. To some extent, again, they were the victims of conspiracy and aggression on the part of Angora and Moscow. Yet, when this has been said, a heavy share of the responsibility for the suppression of national liberties in Transcaucasia during the period under review must still be ascribed to the Principal Allied and Associated Powers. In this part of the world the Supreme Council in Paris, for reasons partly geographical and partly psychological which have been touched upon already, were not in a position to exercise effective power, and by attempting nevertheless to make a show of authority they committed both a moral and a political blunder. By supporting the 'Whites' against the 'Reds' in Russia and the Greeks against the Turkish Nationalists in Anatolia, they aroused a fury of opposition which they could not control; and by encouraging the inexperienced and

[1] See Foreign Office publication, *Soviet Russia. A description of the various political units existing on Russian territory.*

unorganized Transcaucasian Republics to look to them for a guidance and a protection which they had no intention of giving at any sacrifice to themselves, they deterred them from coming to terms before it was too late with the two locally dominant Powers, and merely exposed them to reprisals as satellites of Turkey's and Russia's most dangerous enemies. The Turkish Nationalists and the Russian Bolsheviks, struggling, as they were, for their political existence against the Allied and Associated Powers, could hardly be blamed for falling upon the Transcaucasian peoples as soon as the British Army of Occupation had been withdrawn—unless a bull in the ring can be blamed for goring the helpless horse which the matador has left in his path after slipping out of the saddle.

Thus, in the last analysis, the Transcaucasian peoples, like the Russian and Anatolian refugees, were the victims of a policy, conceived in Western Europe, of which they could neither influence the course nor escape the consequences. The Turkish Nationalists and the Russian Bolsheviks were less unfortunate ; for, though they suffered intense hardships in their struggle with the Western Powers and their protégés, they at least succeeded in their immediate aim of preserving their political existence and breaking down the barriers which had been interposed between them. They had hardly achieved this common object, however, before the entente between them was relaxed by the removal of those abnormal circumstances which had brought it into being.

In August, 1922, the destruction of the Greek Army in Anatolia [1] liberated Angora from the necessity of looking to Moscow for diplomatic and military support, and the arrival of the Turkish Nationalist forces on the shores of the Straits reopened a question upon which Russia and Turkey were almost bound to disagree on account of the permanent geographical and economic factors discussed at the beginning of the present section. When the question of the future régime of the Straits was raised at the Conference of Lausanne,[2] the three Allied Powers and Russia respectively put forward diametrically opposite proposals, which at the same time were inversions of the policy which each party had pursued consistently during the century preceding the War of 1914. The Allies proposed that the Straits should be open, in peace or war, to

[1] See *H. P. C.*, vol. vi, Ch. I, Part 2, Epilogue.

[2] See *Lausanne Conference on Near Eastern Affairs, 1922–3 : Records of Proceedings and Draft Terms of Peace* (*Cmd.* 1814 of 1923), especially the *procès verbal* of meetings of the First Commission on the 4th, 6th, 8th, 18th, 19th, and 20th December, 1922, and on the 1st February, 1923.

a limited number of warships belonging to Powers not at war with Turkey, while the Russian delegation proposed that the Straits should be closed at all times and in all circumstances to warships, whether coming from the Black Sea or from the Mediterranean. In other words, Russia was now willing to forgo a naval outlet on the Mediterranean if she could thereby close the Black Sea to warships of non-riverain Powers, while the Allies were willing to enable Russian warships to issue through the Straits into the Mediterranean if, in exchange, they could secure a passage into the Black Sea for their own. The struggle turned upon whether the Turkish delegation would range themselves with their late opponents or with their allies, and, at the session of the 8th December, Ismet Pasha accepted Lord Curzon's proposals—with certain reservations, regarding which an arrangement between the Allies and Turkey was found to be possible. In spite of M. Chicherin's utmost efforts, the Allied and the Turkish experts proceeded to draft a convention, substantially on Lord Curzon's lines, in which the Russians took no share, and the crisis came on the 1st February, 1923, when this draft was presented to M. Chicherin. At that meeting, after M. Chicherin's demand that the draft should be negotiated point by point in a sub-commission had been rejected by Lord Curzon (partly on the ground that ' so far from representing the views of the Allies only, this draft ' represented ' almost without exception the views of the Turkish Delegation '), M. Chicherin formally refused to be a party to the convention, expressing his dissent in the following terms :

> Taking account of the fact that the draft convention concerning the régime of the Straits presented by the Inviting Powers threatens the security and vital interests of Russia, the Ukraine, and Georgia ;
>
> That it makes it impossible to establish a stable and peaceful situation in the Near East and on the Black Sea ;
>
> That it will result in imposing on Russia and the other countries an additional burden of naval armaments and places an obstacle in the way of establishing general peace ;
>
> Remaining faithful to the provision of Article 1 in the Russo-Turkish Treaty of Moscow, dated the 16th March, 1921 (subsequently confirmed by the Treaty of Kars between Turkey and the Transcaucasian Republics, and by the Treaty of Angora between Turkey and the Ukraine), which declares that each of the two contracting parties undertakes in principle not to recognize any treaty of peace or any international act which it may be sought to impose upon the other party ;
>
> And, lastly, being firmly convinced that the Turkish people by continuing the struggle will free itself from conditions of peace imposed

by the strongest states of the moment—conditions which would violate Turkey's independence and sovereign rights and constitute a permanent threat to the security of Constantinople ;

The Russo-Ukrainian-Georgian delegation do not agree to the draft of the Inviting Powers, make it clear that they are irreconcilably opposed to the whole policy of domination and violence expressed in this draft, and wish to emphasise the inability of the present conference to accomplish a work of real peace.

At the present time, there is no agreement with Russia, the Ukraine and Georgia. There have been no negotiations or even attempts at negotiations with them. Under these conditions there cannot be any decision in the Straits question. There is none and there will not be any without Russia, the Ukraine and Georgia. If the convention is signed without Russia, the Ukraine and Georgia, the latter will retain an entirely free hand and complete liberty of action. If certain Powers sign this convention without Russia, the Ukraine and Georgia, the Straits question remains and will remain open.

From this acute conflict between Soviet Russia and the Western Powers the Turkish delegation studiously stood aside. M. Chicherin professed to believe that the draft convention had been imposed upon his Turkish colleagues by *force majeure* ; an open breach between the Russian and Turkish delegations was avoided ; and, under protest, the Moscow Government eventually became a party to the convention on the 14th August, 1923. The incident, however, was an indication that the relations between Russia and Turkey were returning to their traditional lines.

(iv) Relations between British India, Soviet Russia, and Afghanistan, 1919–23

Just as Russia and Turkey (under whatever régime) were the only Powers which proved able to exert a continuous effective influence in Transcaucasia during this period, so Russia and British India were destined, by the same fact of geographical contiguity, to be the two determining influences in the international relations of Afghanistan. During the General War of 1914–18 a number of German and Turkish emissaries had attempted to reach Afghanistan through the ' no-man's-land ' of central Persia ; but, in spite of their daring and initiative, the majority of these emissaries had been intercepted on their way, while those who had succeeded in reaching Kabul had failed to draw the Amir Habībullah into simultaneous hostilities with his northern and south-eastern neighbours, who were at that time allies in the General War. The Russian and

Indian Empires held Afghanistan in a vice between them, and, a generation earlier, the advance of Russia up to the Afghan border had induced the Afghan Government to accept British control over its foreign policy. Under this Russian menace the Afghans had renounced the right to maintain relations with other states except through the British Government as an intermediary, but nothing except the pressure of Russia on their northern flank would have induced them to admit even that diminution of their sovereign independence, and the extent of the British control had always been kept within the narrowest limits possible. The annual subsidy from the Indian Government to the Amir had been allowed to accumulate from year to year without being drawn, and the Afghan frontier had been virtually closed to all foreigners of West European or Russian origin. After the break-down of the Russian Empire in 1917, the sole inducement for Afghanistan to remain within the British orbit was removed (at any rate, for the time being), and events were to prove that the sudden cessation of the pressure from the north had made a greater impression on the Afghan mind than the victory of Great Britain and her remaining Allies in the General War, which occurred in the following year. This change of outlook did not result in action so long as Habībullah remained on the throne, but on the 20th February, 1919, Habībullah was murdered and his son Amānullah reigned in his stead. The last restraint was then removed, and in April, 1919, five months after the armistice between the Allies and Germany, seventeen months after the Bolshevik revolution in Russia, and forty years after the Second Anglo-Afghan War, Amānullah deliberately planned and delivered an attack upon British India, in spite of the fact that at that moment Great Britain and her Allies were dictating peace to their late enemies in Europe, while large numbers of British and Indian troops had been liberated for employment elsewhere by the termination of the campaigns in 'Iraq and Syria.

It would be difficult to reconstruct the calculations of the new Amir and his advisers. Partly, no doubt, they were encouraged by the disturbances which had broken out since the armistice in India and Egypt, but it is doubtful whether they were aware of the best cards in their hands, which were the British soldier's desire for demobilization and the British tax-payer's desire for a reduction of imperial commitments to their pre-war limits. Possibly their strongest motive was the wish to divert attention, in Afghanistan itself, from the circumstances of the late Amir's death and of

Amānullah's accession. In any case, Amānullah launched his anti-British policy by proclaiming, at a special durbar held on the 13th April, 1919, the programme 'that the Government of Afghanistan should be internally and externally independent and free, that is to say that all rights of government that are possessed by other independent Powers of the world should be possessed in their entirety by Afghanistan'.[1] By the end of April, the Afghan regular army was believed[2] to have concentrated at three points on the Afghan-Indian frontier—on the Kabul sector up to the strength of 2,800 sabres, 16,500 rifles, and 110 guns; on the Ghazni sector up to the strength of 1,100 sabres, 9,150 rifles, and 60 guns; and on the Kandahar sector up to the strength of 460 sabres, 5,250 rifles, and 24 guns. No doubt it was hoped that this nucleus of regular but indifferently trained and equipped troops would attract a levy *en masse* of the tribesmen (estimated at a total of approximately 120,000 rifles) on either side of the political frontier between Afghanistan and India.[3]

Before the end of April copies of an inflammatory firman, bearing Amānullah's seal, were being distributed in Peshawar.[4] On the 2nd May the Afghan Commander-in-Chief was reported at Dakka, the frontier post at the Afghan end of the Khaibar Pass. On the 3rd May Afghan piquets appeared on a disputed piece of ground in the neighbourhood of the Khaibar Pass, and that night five coolies employed at the waterworks of Landi Khana, the British advanced post opposite Dakka, were murdered by tribesmen. On the 4th May the Viceroy, Lord Chelmsford, sent a personal letter to the Amir exhorting him to repudiate the offending firman and to restrain his tribesmen; but in the meantime the firman was being distributed in Peshawar from the Afghan post-office, and on the 5th May the post-master returned from a visit to Jalālabad with a car-load of printed propaganda. Mobilization orders were issued to the Indian Field Army on the same date; a further encroachment on British territory in the Khaibar area occurred on the 8th; and on the 9th the Indian Army took the offensive.

[1] British White Paper, *Papers regarding hostilities with Afghanistan, 1919* (*Cmd.* 324 of 1919), No. 2.

[2] Dispatch, dated the 1st November, 1919, from General Sir C. C. Monro, Commander-in-Chief in India (printed as Second Supplement to the *London Gazette* of the 12th March, 1920), § 20–1.

[3] On the Indian side of the political frontier a zone of tribal territory, of varying width, was at this time left unadministered by the Government of India. Similarly, on the Afghan side, a number of tribes were only nominally under the control of the Government at Kabul.

[4] *Cmd.* 324, No. 8.

On the Indian side, the campaign, which lasted less than three weeks, was a triumph of organization. 'At one time the strength of the force employed trans-Indus amounted to 340,000 men and 158,000 animals, and it will readily be understood that the maintenance of these numbers with depleted means of transportation was a problem of considerable difficulty.' [1] The difficulties were increased by an epidemic of cholera and a heat wave,[2] and by the size of the theatre of operations.

> During the course of the war our troops were engaged on a front extending along the whole length of the Afghan frontier from Chitral on the north-east to Seistan on the south-west, a total distance of about 1,000 miles; indeed, the fighting front may be said to have extended still further, for our line of communication defence troops on the 300 miles of road between Robat and Rui Khaf were kept constantly on their guard against raids from across the border and were at one time directly threatened by a small Afghan force which was detached from Herat towards the Persian frontier. Never before have simultaneous operations been undertaken on the frontier of India which have covered so wide an extent of front.[3]

Nevertheless, the campaign was conducted with remarkable smoothness and rapidity.

> Two weeks only elapsed between the receipt of information of the impending Afghan attack and the dispersal of the main Afghan army on the Jalālabad plain, and within four weeks Amir Amānullah had sued for an armistice. The promptitude of this advance through the Khaibar and the consequent menace to Jalālabad prevented an Afghan-tribal combination against us, and saved India the long and costly war which would have resulted from the loss of the Khaibar.[4]

An outline of the course of events may best be given in Sir Charles Monro's own words: [5]

> The chief features of the operations, viewed as a whole, can be summarised as follows. Our main effort was directed to the Khaibar front, with Dakka as the first objective. After defeating the Afghan covering troops in the vicinity of Landi Khana, our troops occupied Dakka on May 13th, i. e. within eight days of mobilisation being ordered; and, following a successful action on May 17th, the Afghan main army dispersed and, for the time being, practically ceased to exist as an organised force. A pause was now necessary for the purpose of accumulating supplies preparatory to a further advance. All arrangements for the advance had been completed and the troops were ready to move when the Amir's request for negotiations rendered any further forward movement politically inexpedient. On the Waziristan front we were prepared to evacuate certain positions with

[1] Monro, § 5. [2] *Ibid.*, § 16–17. [3] *Ibid.*, § 27.
[4] *Ibid.*, § 28. [5] *Ibid.*, § 26.

the object of reducing detachments, avoiding embarrassing commitments, and concentrating as large a force as possible at the decisive point. The evacuation became necessary, and was carried out under arrangements concerted between General Sir A. A. Barrett and the Chief Commissioner of the North-West Frontier Province. Suitable dispositions were made to meet the situation thus created. On the Baluchistan front the only operation of importance was the attack and capture of Fort Spin Baldak. The close proximity of this fort to the Baluchistan border was a threat to our position at Chaman, and it served as a screen behind which the enemy could concentrate preparatory to an attack on Chaman itself, or against the flank of our position at Bogra. It was accordingly carried by assault on May 27th.

The surprisingly rapid collapse of the Afghans appears to have been largely due to the new factor of aerial warfare. Jalālabad and Kabul, which had previously been protected by the extraordinary difficulty of the *terrain* which separated them from Peshawar, were in easy reach of air bases in India as the crow flies and were subjected to continuous bombing so long as the military operations were in progress.

The first overture for peace on the Afghan side came in the form of a letter [1] from the Afghan Commander-in-Chief to the British Political Agent at Khaibar accusing British officers of unlawful aggression and announcing that ' war had been suspended ' pending a settlement between the Amir and the Viceroy. No action was taken on this communication,[2] which was suspected of being a device to gain time, but on the 21st May a letter, dated the 20th, was received by the British High Command from Sardar 'Abdurrahman, formerly Afghan Envoy to the Government of India, requesting a suspension of hostilities with a view to negotiations.[3] The Government of India returned a stiff answer to this letter on the 22nd : ' The Amir can best prove his sincerity by at once ordering his troops on all fronts to return to their peace stations, sending to the G.O.C., under his own signature, a signed copy of orders to that effect.' Failing this, the British-Indian forces would continue operations.[4] This reply was conveyed on the 23rd by 'Abdurrahman to the Amir.[5] On the 25th, two letters from the Amir to 'Abdurrahman, which had apparently missed him on his return journey, arrived at the British lines.[6] In these the Amir stated that urgent orders had been issued on his part to suspend operations, but protested against the continuance of air-raids on the British side.

[1] Text in *Cmd.* 324, No. 21.
[2] It had been received by the 16th May (*Cmd.* 324, No. 17).
[3] *Ibid.*, No. 29.
[4] *Ibid.*, No. 30.
[5] *Ibid.*, No. 40.
[6] *Ibid.*, Nos. 42 and 45.

On the 31st May a long letter from the Amir to the Viceroy,[1] dated the 28th, was received at Peshawar. In this communication a further attempt was made to transfer the blame for aggression from the Afghan to the Indian Government. The Amir took credit to himself for having ' put off the publication of the proclamations of Holy War by the Islamic Sheikhs of Afghanistan ', and complained that British aeroplanes had bombed his father's and great-grandfather's tombs. The letter contained, however, the essential information that personal orders had been given by the Amir for the suspension of operations, and a certified copy of the relevant firman (dated the 27th May) was enclosed. The letter concluded with the request for a peace conference at an early date.

On the 3rd June the Viceroy replied in a letter [2] in which he first recited the circumstances of the outbreak of war, in order to fix the responsibility upon the Afghan Government, and then expressed his readiness, in consideration of his friendship for the late Amir Habībullah, to agree to an armistice on condition that all Afghan regular troops should be withdrawn to a distance of twenty miles from the nearest British force ; that the British troops should remain in Afghan territory with full freedom of action short of conducting offensive operations ; that British aircraft should be free to reconnoitre over Afghan territory ; and that the Amir should call off the tribes on both sides of the political frontier. The place designated for subsequent peace negotiations was Rawal Pindi. After a further correspondence, in which the Amir failed to obtain any substantial modification of the armistice conditions, the Afghan delegates arrived at Rawal Pindi on the 25th July [3] and peace was signed on the 8th August, 1919.[4] The text of the treaty is sufficiently short to be quoted in full.[5]

Treaty of peace between the illustrious British Government and the independent Afghan Government concluded at Rawal Pindi on the 8th August, 1919, corresponding to the 11th Ziqad 1337 Hijra.

The following articles for the restoration of peace have been agreed upon by the British Government and the Afghan Government :

Article 1. From date of signing of this treaty there shall be peace between the British Government on the one part and the Government of Afghanistan on the other.

Article 2. In view of the circumstances which have brought about the present war between the British Government and the Government of Afghanistan, the British Government, to mark their displeasure,

[1] Text, *ibid.*, No. 49.
[2] *Ibid.*, No. 51.
[3] *Ibid.*, No. 63.
[4] *Ibid.*, No. 65.
[5] *Ibid.*, No. 66.

withdraw the privilege enjoyed by former Amirs of importing arms, ammunition or warlike munitions through India to Afghanistan.

Article 3. The arrears of the late Amir's subsidy are furthermore confiscated and no subsidy is granted to the present Amir.

Article 4. At the same time the British Government is desirous of the re-establishment of the old friendship that has so long existed between Afghanistan and Great Britain, provided they have guarantees that the Afghan Government are on their part sincerely anxious to regain the friendship of the British Government. The British Government are prepared therefore, provided the Afghan Government prove this by their acts and conduct, to receive another Afghan mission after six months for the discussion and amicable settlement of matters of common interest to the two Governments and the re-establishment of the old friendship on a satisfactory basis.

Article 5. The Afghan Government accept the Indo-Afghan frontier accepted by the late Amir. They further agree to the early demarcation by a British commission of the undemarcated portion of the line to the west of the Khaibar where the recent Afghan aggression took place, and to accept such boundary as the British commission may lay down. The British troops on this side will remain in their present positions until such demarcation has been effected.

The wording of this document was in consonance with the immediate facts of the situation—the unprovoked aggression by Afghanistan on the one side and the rapidly and completely established military ascendency of the British Empire on the other. After signature, however, the following letter [1] was handed to the Afghan delegate by the British delegate, Sir H. Grant :

You asked me for some further assurance that the Treaty of Peace now offered by the British Government contains nothing that interferes with the complete liberty of Afghanistan in external or internal matters. My friend, if you will read the Treaty of Peace with care you will see that there is in it no such interference with the liberty of Afghanistan. You have informed me that the Government of Afghanistan is unwilling to renew the arrangement under which the late Amir, Habībullah Khan, agreed to follow the advice of the Government of Great Britain in matters affecting the external relations of Afghanistan without reserve. I have therefore refrained from pressing this matter, of which the Treaty of Peace contains no mention. By the said Treaty and this letter, therefore, Afghanistan is left officially free and independent in its affairs, both internal and external. Furthermore, all previous treaties have been cancelled by this war.

Thus the Amir Amānullah gained, as the reward of defeat, the principal point in the programme with which he had started the war, while the Government of India abandoned, as the price of victory, the control over the foreign policy of Afghanistan which it had exercised for forty years.

[1] *Cmd.* 324, No. 67.

The supplementary treaty,[1] contemplated in Article 4 of the Treaty of the 8th August, 1919, was signed at Kabul on the 22nd November, 1921.[2] The parties 'mutually certified and respected each with regard to the other all rights of internal and external independence' (Art. 1). The frontier prescribed in Article 5 of the Treaty of the 8th August, 1919, together with the section subsequently delimited by a British commission in August and September, 1919, was confirmed with a slight rectification [3] in favour of Afghanistan (Art. 2). An Afghan and a British Legation (including military *attachés*) were to be established respectively in London and Kabul (Art. 3). British Consulates were to be established at Kandahar and Jalālabad, and Afghan Consulates at Calcutta, Karachi, and Bombay (Art. 4). The diplomatic and consular representatives of either party in the territories of the other were to be subject in the discharge of their duties to a detailed series of provisions,[4] but were to receive most-favoured nation treatment, even if this involved greater privileges (Art. 5). There was to be mutual freedom of import from or across India into Afghanistan and from Afghanistan into India, while 'with regard to arms and munitions, the British Government agrees that as long as it is assured that the intentions of the Government of Afghanistan are friendly and that there is no immediate danger to India from such importation in Afghanistan, permission shall be given without let or hindrance for such importation' (Art. 6).[5] Provided that the proper formalities were fulfilled, no customs duties were to be levied at British Indian ports on goods imported, under Article 6, on behalf of the Afghan Government, while a rebate of the full amount of the duty was to be made upon goods belonging to private traders, at the moment of their entry into Afghan territory, on condition that they were forwarded by particular routes to be agreed upon later, and the British Government declared that it had no present intention of levying duty on goods or live stock from Afghanistan imported into or passing in transit across India (Art. 7). Afghan trade agents were to be permitted to reside at Peshawar, Quetta, and Parachinar

[1] Text published as a British White Paper, *Cmd.* 1786 of 1922.
[2] Ratifications were exchanged at the same place on 6th February, 1922.
[3] Described in a Schedule 1 annexed to the Treaty.
[4] Set out in a Schedule 2 annexed to the Treaty.
[5] It was added that if the Arms Traffic Convention were to come into force, the right of importation of arms and munitions by the Afghan Government should be subject to the proviso that the Afghan Government should first have signed the Arms Traffic Convention, and that such importation should only be made in accordance with the provisions of that Convention.

(Art. 8). Goods in course of import into Afghanistan were not to become subject to duty owing to the breaking of bulk at rail-head within British Indian territory (Art. 9). A postal convention was to be concluded later (Art. 10). The parties undertook 'each to inform the other in future of any military operations of major importance which may appear necessary for the maintenance of order among the frontier tribes residing within their respective spheres, before the commencement of such operations' (Art. 11). A trade convention, not limited to the scope of the present Treaty, was to be concluded later (Art. 12). The two attached schedules were to have the same force as the Articles of the Treaty (Art. 13). The Treaty was to run, in the first instance, for three years from the date of signature; but in case either party were to notify, less than twelve months before the expiration of the said three years, the intention to terminate it, it was to remain binding for a year from the date of denunciation (Art. 14).

Four letters were attached to the Treaty in addition to the two schedules. In the first letter, the British representative assured the Afghan Foreign Minister that the British Government had no desire to make trifling incidents an excuse for the stoppage of arms and munitions. In the second, the Afghan Minister promised that Afghanistan should, from time to time before the importation of arms and munitions at British ports, furnish a detailed list of them to the British Minister at Kabul. In the third, the Afghan Foreign Minister undertook that Russian consulates should not be established at Jalālabad, Ghazni, or Kandahar. In the fourth, the British representative assured the Afghan Foreign Minister that the British Government had every intention of treating the frontier tribes generously, provided that they abstained from outrages against the inhabitants of India.

The Trade Convention contemplated in Article 12 of the Treaty of the 22nd November, 1921, was signed at Kabul on the 5th June, 1923.[1] By this instrument, which was to remain in force for the same period as the Treaty itself, three transit routes across Indian territory were established for the forwarding of goods between British Indian ports and Afghanistan, and detailed rules of customs procedure were laid down.

The military and diplomatic relations with the British Empire which have been recorded above were the most important foreign

[1] Ratifications were exchanged in London on the 4th August, 1923. The text was printed as a British White Paper, *Cmd.* 1977 of 1923.

relations of Afghanistan during the period in question; but the recovery of her full sovereignty in regard to foreign affairs, which was a notable result of the Third Anglo-Afghan War, enabled Afghanistan to enter into contact again with other countries as well. Afghan Legations were established in due course, not only in London but in Paris, Rome, Berlin, Moscow, and Angora, while Afghan students, including the heir to the throne, were sent to receive a military and technical training in France. Apart from British India, however, the most important neighbour of Afghanistan was Soviet Russia, while sentiment as well as interest drew the Government of Kabul towards the Government of Angora. In the early spring of 1921, when a diplomatic mission from Angora, headed by Yusuf Kemal Bey, was in Moscow negotiating the Russo-Turkish Treaty which was eventually signed there on the 16th March, 1921,[1] two complementary treaties with Afghanistan were signed in the same place, on the 28th February and the 1st March respectively, by the Russian and the Turkish plenipotentiaries.

The Russo-Afghan Treaty of the 28th February, 1921[2]—which was negotiated 'with a view to strengthening friendly relations between Russia and Afghanistan and with a view to confirming the actual independence of Afghanistan'—recorded first that the parties, recognizing their mutual independence and promising to respect it, mutually entered into regular diplomatic relations (Art. 1). They further bound themselves respectively not to enter into a military or political agreement with any third state which would damage the other party (Art. 2). The reciprocal establishment of legations (including military *attachés*) and consulates[3] was provided for, with the enjoyment of customary diplomatic privileges, five of which were specified (Arts. 3–5). Russia agreed to the free and untaxed transit through her territory of every kind of goods bought by Afghanistan either in Russia itself, through the state organs, or

[1] See IV (iii), p. 370, above.

[2] English translation of the text in the *Manchester Guardian*, 31st March, 1921; French translation in *L'Europe Nouvelle*, 28th May, 1921. The original Russian and Persian texts were both declared authentic (Art. 11), and it was provided (Art. 12) that ratifications should be exchanged in Kabul.

[3] An Afghan Consulate-General was to be established at Tashkend, and Afghan Consulates at Petrograd, Kazan, Samarkand, Merv, Krasnovodsk, and one other place in Russian Central Asia. Russian Consulates were to be established at Herat, Meimen, Mazar-i-Sherif, Kandahar, and Ghazni. (This conflicted with the undertaking given by the Afghan Foreign Minister in the third letter attached to the Anglo-Afghan supplementary treaty of the 22nd November, 1921; see p.384, above.) Both the order and time of the opening of these consulates, and the question of opening additional consulates thereafter, were to be the subject of special agreements between the parties.

directly from abroad (Art. 6). The parties agreed in general upon ' the freedom of Oriental nations on the principle of independence and in accordance with the wish of their people ', and in particular upon ' the actual independence and freedom of Bokhara and Khiva, whatever may be the form of their government, in accordance with the wish of their people ' (Art. 8). Russia promised to hand over to Afghanistan ' the frontier districts which belonged to her in the last century, observing the principle of justice and the free expression of the will of the people '—the means of ascertaining the majority opinion of the permanent local population being left over for settlement in a special treaty (Art. 9). Finally, the Soviet Government undertook ' to give Afghanistan financial and other help ' ; and, in a supplementary article of the same date and validity as the rest of the Treaty, it was provided, in pursuance of the above undertaking, that, within two months of the coming into force of the Treaty, Russia should (*a*) give Afghanistan a yearly free subsidy to the extent of one million roubles in gold or silver in coin or bullion, (*b*) construct a telegraph line along the route Kushk-Herat-Kandahar-Kabul, (*c*) place technical and other specialists at the disposal of the Afghan Government.

The Turco-Afghan Treaty of the 1st March, 1921 [1]—which was negotiated in the conviction that ' at this time, when, thanks to the Almighty, the awakening of the Oriental World is being observed, these two states can no longer remain unconnected '—opened with an affirmation of Turkey's independence and a recognition, on her part, of Afghanistan ' as independent in the most real and complete sense of the word ' (Art. 1). The parties ' recognized the emancipation of all Oriental nations ; acknowledged their absolute freedom and their right to independence ; certified that each and all of these nations were free to govern themselves in any way they desired ; and recognized specifically the independence of Khiva and Bokhara ' (Art. 2). Afghanistan complimented Turkey for having ' been the guide of Islam ', ' held the banner of the Caliphate ', and ' set the example in this respect ' (Art. 3).[2] Either party agreed to consider as an offence against itself any action against the other ' by an imperialist state which follows the policy of invading and exploiting

[1] English translation of the text in *Current History*, February, 1923 (vol. xvii, No. 5).

[2] This article reads somewhat ironically in the light of the policy in regard to the Caliphate which the Angora Government subsequently pursued as soon as its victory over the Greeks in the Anatolian War enabled it to assert its authority in Constantinople.

the East' and undertook 'to remove any such offence with all its existing and possible means' (Art. 4). Either party promised to make no agreements with any third state between which and the other party there was disagreement, and further to inform the other party before concluding any treaty with any state (Art. 5). Diplomatic representatives were to be accredited reciprocally forthwith, while commercial, economic, and consular relations were to be established later (Art. 6). The organization of a regular and special mail service between the two countries, and the exchange of information in various fields of common interest, was contemplated (Art. 7). Finally, Turkey promised to send educational and military missions to Afghanistan for at least five years, and to renew them thereafter if the Afghan Government so desired (Art. 8).

These two Treaties were signed in Moscow under the auspices of the Soviet Government, and, when they are viewed in relation to the Russo-Persian Treaty signed on the 26th February [1] and the Russo-Turkish Treaty signed on the 16th March in the same place, they suggest that at this time Soviet Russia was endeavouring to build up in the Middle East the same kind of regional entente as Czechoslovakia was successfully building up in Eastern Europe. The essential basis of common interest undoubtedly existed in this case, as in the other; for, while Czechoslovakia and her local allies were all concerned to maintain the territorial settlement of Eastern Europe which had been carried out by the Principal Allied Powers and embodied in the four European Peace Treaties, Soviet Russia, Persia, Turkey, and Afghanistan were likewise all concerned to prevent certain, at least, of the Principal Allied Powers from imposing their will in the Middle East. In this case, however, the common interest was only negative, and the entente between Russia and her Islamic neighbours therefore tended to dissolve as fast as the pressure from the Principal Allied Powers was removed. This tendency has been noted above in tracing the development of the relations between Russia and Turkey after the Turkish victory in the Anatolian War. The relationship between Turkey and Afghanistan, however, rested on surer ground. These two countries had no bone of contention to set them constantly by the ears, as Russia and Turkey had in the problem of the Black Sea Straits; they were states of approximately the same calibre, so that they could co-operate (like the members of the Little Entente) on equal terms; and the sentimental bond of

[1] See *H. P. C.*, vol. vi, pp. 214–15, and, for the text of the Treaty, *L'Europe Nouvelle*, 28th May, 1921.

their common religion, upon which much emphasis was laid in the Treaty of the 1st March, 1921, was equivalent to the link of common Slavdom which reinforced the community of material interests in the entente between Czechoslovakia and Jugoslavia. For the moment, perhaps, the community of material interests between Turkey and Afghanistan was rather nebulous. It consisted in little more than a vague common hostility to the British Empire, and in the course of the years 1920 to 1923 it became increasingly evident that the British Government was not bent upon the injury of either party. The Turkish-Afghan alliance was likely to take a more practical form if at some future time that state of affairs returned which had been usual during the century preceding the year 1917, when the Islamic peoples of the Middle East had seen the greatest danger to their independence not in their present adversary but in their present ally.

PART V

TROPICAL AFRICA

Introduction

The striking feature about the history of Tropical Africa during the years 1920 to 1923 was the paucity of events on the diplomatic plane as compared with the history of the previous thirty or forty years. The partition of Africa, which had culminated in the elimination of Germany, had left the few surviving Colonial Powers in equilibrium for the time being. The rectifications of frontier between the British and Belgian mandated territories and between the British and Italian possessions in East Africa [1] were minor affairs, and although the questions arising over the execution of international engagements in the independent native state of Abyssinia and in the mandated territory of South-West Africa raised more serious issues, these issues were kept within local bounds by the diplomacy of the League of Nations. The larger problems of Tropical Africa, affecting the general relations between races and religions, which have been discussed in the preceding volume, were either latent during these four years or declared themselves, not in the field of international affairs, but in the domestic politics of the British Commonwealth. The only international issue of first-class importance in regard to Tropical Africa which was raised during this period was the struggle over the ratification of the Arms Traffic Convention of St. Germain, which is dealt with in the first section of this Part. Strictly speaking, this section is common to Part IV as well, since the area to which the Convention was to apply included two zones in the Middle East and all but two of the Islamic countries in Africa north of the Sahara. The treatment of the Convention has been reserved for this Part because the St. Germain Convention of 1919 was the sequel to the Brussels Act of 1890, and the Brussels Act was exclusively concerned with Tropical Africa, whereas the extension of the same principles to other zones in 1919 was an innovation.

[1] For the Ruanda frontier see V (iii) below, and for the rectification between the Kenya Colony and Italian Somaliland (which was not finally settled until 1924) see the *Survey of International Affairs for 1924*.

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(i) The Convention for the Control of the International Traffic in Arms and Munitions, signed at St. Germain-en-Laye on the 10th September, 1919.

As far back as 1890 the Brussels Act had established the principle that for the general protection of the native races, and in particular for the prevention of the Slave Trade, a strict control should be exercised over the importation of arms into certain specified parts of Tropical Africa. By the end of the War of 1914, the maintenance of this principle had become even more important than it had been before. Every country in Europe now possessed large stocks of small arms and ammunition, and, if no fresh action had been taken, great quantities of these would undoubtedly have found their way, with disastrous results, into the hands of the semi-barbarous populations which had resisted or shaken off the control of the Western Colonial Powers in certain mountainous, desert, or otherwise physically inaccessible areas of Africa and the Middle East. In order to meet this danger a new agreement amplifying the Brussels Act was drafted and signed at St. Germain on the 10th September,

1919.[1] By this instrument, the area in which the importation of arms was prohibited was enlarged so as to include the whole continent of Africa—with the exception of Algeria, Libya, and the Union of South Africa, as well as the adjacent islands—and, in addition to this, a Middle Eastern zone embracing Transcaucasia, Persia, Gwadar, the Arabian Peninsula, and all continental Asiatic territories which were under the control of the Ottoman Empire on the 1st August, 1914; and a maritime zone which covered the Red Sea, the Gulf of Aden, the Persian Gulf and certain parts of the Sea of Oman (that is, all the maritime approaches to the Middle East from the side of the Indian Ocean). Into these zones no arms or munitions were to be imported except under licence, and strict provisions for controlling the use, storage, and distribution of arms there were added. The Powers also agreed upon provisions giving the right of search against suspected ships on the high seas.

In consequence of the urgency of the danger, a protocol was added by which the signatory states agreed that it would be contrary to their intentions and to the spirit of the Convention that any one of them should act in a way inconsistent with this agreement during the period which would intervene before it came into force.

The Convention also included novel and far-reaching provisions for the control of the traffic in arms and munitions even among the civilized states which had signed it. In general, there was to be no exportation of arms and munitions without a licence, with the object, among other things, of discouraging private trade in these commodities. A Central International Office was to be set up by the League of Nations to collect information concerning the traffic, and each signatory Power was to keep this new Office informed as to all licences given by it for the exportation of arms and munitions.

Difficulties, however, arose which prevented this ambitious project from being realized. The zones within which the Convention was to apply were so drawn that the result would have been almost exclusively to protect the interests of the surviving European Colonial Powers, while the United States, which was confronted with similar problems in Mexico and Central America, preferred to deal with them in her own way. Thus opinion in the United States was indifferent to the Convention, if not hostile to it, and the United States Government refused to ratify it, although it had been signed by its representatives.[2] This refusal proved an insurmountable

[1] Text in British White Paper, *Cmd.* 414 of 1919.
[2] For the objections of the State Department to the Convention, see the

obstacle to ratification by the other Great Powers, for the only effect would have been to benefit the American trade at the expense of other countries. None the less, although ratification had not taken place,[1] Great Britain, France, Italy, Belgium, and Japan agreed in practice that they would carry out the terms of the Convention as regards the prohibited areas, at least in Africa. It was found impossible, however, to insist on its application to Turkey, although attempts were made to prevent the leakage of arms through Turkey to other parts of the Middle East, especially Afghanistan.

In October, 1920, the League of Nations Permanent Advisory Commission on Military, Naval, and Air Questions reported to the Council that it did not consider that any useful purpose could be served by establishing the Central International Office contemplated in the St. Germain Convention while the Convention was not in force. The League's efforts were therefore devoted to the attempt to obtain ratifications of the Convention, and an inquiry on the subject was circulated in July, 1921. The replies elicited by this showed the influence exercised by the attitude of the United States Government —an attitude defined in a note of the 28th July, 1922 (in reply to a note from the Secretary-General of the League dated the 21st November, 1921), when that Government declared itself ' unable to approve the provisions of the Convention and to give any assurance of its ratification '. Accordingly, the Assembly passed a resolution, during its Third Session in September, 1922, declaring it ' highly desirable ' that the United States Government should express the objections which it had to formulate to the provisions of the Convention of St. Germain, as well as any proposals which it might care to make as to the way in which these objections could be overcome. This resolution was communicated by the Council to Washington, and a further reply was received during the Fourth Session of the

address delivered on the 23rd January, 1924, by the Hon. Charles Evans Hughes to the American Council on Foreign Relations. (Special Supplement to vol. ii, No. 2, of *Foreign Affairs : an American Quarterly Review*.)

[1] The Convention was signed originally by the following twenty states : Belgium, Bolivia, Great Britain, China, Cuba, Czechoslovakia, Ecuador, France, Greece, Hijaz, Italy, Japan, Jugoslavia, Nicaragua, Panama, Poland, Portugal, Rumania, Siam, United States of America. By the 7th September, 1922, ten states had ratified, namely : Brazil, Chile, China, Greece, Guatemala, Haiti, Peru, Persia, Siam, Venezuela. Of these only three (China, Greece, and Siam) had been original signatories. It is noteworthy that the seven signatories of the Versailles Treaty who were not original signatories of the St. Germain Convention (Brazil, Guatemala, Haiti, Honduras, Liberia, Peru, Uruguay) all lay within the orbit of the United States and all but one in America. On the other hand, by the 7th September, 1922, the Convention had been not only signed but ratified by four of these states (Brazil, Guatemala, Haiti, Peru) and by two American ex-neutrals (Chile and Venezuela).

Assembly in September, 1923, in which the United States Government mentioned some of the objections to the ratification of the St. Germain Convention on its own part (such as the internal legislation of the United States and her non-membership in the League) but made no proposals as to how these objections might be overcome. In spite of this rebuff, the Assembly recommended the Council to arrange for the preparation of a new convention or conventions, to replace that of St. Germain, in a form acceptable to the Governments of all countries producing arms and munitions of war, and further to invite the United States Government to appoint representatives who should co-operate in this work.

(ii) The Suppression of Slavery in Tropical Africa and the Admission of Abyssinia to Membership in the League of Nations

During the years 1920 to 1923, the Monophysite Christian Empire of Abyssinia (officially styled Ethiopia) was the only completely independent state in Tropical Africa.[1] Its survival, like that of Afghanistan, was due to the military prowess of its inhabitants, who had always risen spontaneously against foreign intruders and had twice proved themselves more than a match for West Europeans ;[2] but the national characteristics which had preserved the country from falling under the ascendency, direct or indirect, of foreign Governments rendered the exercise of the native Central Government's authority precarious in the outlying parts of the vast area which had been recognized as Abyssinian territory in treaties signed by the European Colonial Powers during the partition of Africa. This state of affairs gave rise to international complications when Abyssinian subjects made slave-raids, beyond the treaty frontiers, into the adjoining dominions of European Governments, or were caught in the act of shipping slaves to Arabia across the Red Sea.[3] The Abyssinian slave-trade transgressed not only the rights and interests of Abyssinia's neighbours, but a series of international conventions for the suppression of the Slave Trade and the Arms Traffic [4]—another abuse with which the Slave Trade was intimately

[1] Liberia falling within the political orbit of the United States.
[2] The Portuguese in 1638 and the Italians in 1896.
[3] For incidents relating to slavery and the slave-trade in Abyssinia during the year 1922, see British White Paper, *Correspondence respecting Slavery in Abyssinia* (*Cmd.* 1858 of 1923).
[4] Abyssinia had adhered to the Brussels Convention of the 2nd July, 1890. For the St. Germain Convention of the 10th September, 1919, see V (i) above.

connected, since the facilities enjoyed by the Abyssinian slave-raiders for obtaining modern Western arms from the coast enabled them to work their will upon the tribes of the interior. The international conventions were also violated by the less obnoxious institution of domestic slavery, which in Abyssinia was not yet extinct.

The question of slavery in Africa, with special reference to Abyssinia, was first brought to the notice of the League of Nations during the Third Session of the Assembly by Sir A. Steel Maitland (New Zealand) and was discussed by the Sixth Committee, with the result that a resolution was passed including the question of slavery in the agenda of the Fourth Assembly and requesting the Council to present to the Fourth Assembly a report on the information which it should have received on the matter. Accordingly, on the 26th September, 1922, the Council passed a resolution instructing the Secretary-General to study the question and, in particular, to request the Governments of the Members of the League to supply the Council with any available information which they might see fit to communicate to it on the existing situation. In pursuance of this instruction the Secretariat duly communicated to the Members of the League a report which it had received with regard to slavery in Africa, with an annex containing an account of slavery in Abyssinia ; and the Council, after considering this report on the 5th July, 1923, decided to communicate it to the Assembly at its forthcoming session, at the same time requesting the Secretariat to continue its efforts to obtain information and to extend inquiries to countries outside the League.

Meanwhile, these international proceedings and their possible effect upon the status of Abyssinia had not passed unnoticed by the Government of Addis Abeba, and on the 1st August, 1923, the Regent, Ras Tafari, sent a telegram to Sir Eric Drummond, which he confirmed by letter on the 12th, requesting that an application by his Government for admission to Membership in the League should be placed on the agenda of the Fourth Assembly, and also declaring that ' the Abyssinian Government was prepared to accept the conditions laid down in Article 1 of the Covenant and to carry out all obligations incumbent upon Members of the League of Nations '.

The Fourth Assembly was thus seised of the slavery question and of the Abyssinian request for admission to the League simultaneously, and it referred both matters to the Sixth Committee. In regard to slavery, the Assembly adopted, on the 28th September, 1923, a reso-

lution requesting the Council to entrust to a competent body the duty of continuing the investigation in order to obtain further information, particularly from Governments of states not Members of the League, and if necessary from individuals or organizations whose competence and reliability were recognized. The resolution further expressed the hope that the results of this investigation should, if possible, be communicated to the Fifth Assembly, and the desire that in any case the Fifth Assembly should receive a report showing the progress made in different countries with regard to the suppression of slavery in all its forms.

The Abyssinian request for admission to Membership was advocated before the Sixth Committee by an Abyssinian delegation, which repeated the assurances contained in the Regent's telegram of the 1st August, with specific reference to the suppression of the Arms Traffic and of slavery. The Committee was divided in opinion, one party holding that the formal admission of Abyssinia to the comity of civilized nations was the best means of stimulating her to rise to civilized standards of social life, while the other party cast doubt upon the power of the Central Government to introduce new standards throughout the country. In favour of Abyssinia's admission was a report from the Permanent Advisory Commission of the League on Military, Naval, and Air Questions that Abyssinia's present forces did not constitute an objection; and finally the Committee drafted the following declaration, with a recommendation to the Assembly that the Abyssinian Government should be asked to sign it before the question of admission was considered further:

> The Empire of Abyssinia, following the example of other sovereign states which have given special undertakings on the occasion of their admission to the League of Nations, makes the following declaration:
>
> 1. Abyssinia adheres to the obligations formulated in Article II, paragraph 1, of the Convention signed at St. Germain-en-Laye on 10th September, 1919, amending the General Act of Berlin dated 26th February, 1885, and the General Act and Declaration of Brussels dated 2nd July, 1890.
>
> 2. Abyssinia, recognizing as binding the system at present established with regard to the importation of arms and ammunitions, undertakes to conform to the principles set forth in the Convention and Protocol signed at St. Germain-en-Laye on 10th September, 1919, and in particular to the stipulations contained in Article VI of the said Convention.
>
> 3. Abyssinia declares herself ready now and hereafter to furnish the Council with any information which it may require, and to take into consideration any recommendation which the Council may make with regard to the fulfilment of these obligations, in which she recognizes that the League of Nations is concerned.

This text was promptly telegraphed by the Abyssinian delegation to Addis Abeba, and, before the Assembly dispersed, they were able to announce that they had been authorized by their Government to sign it. Thereupon, Abyssinia was admitted to the League, by a unanimous vote, at a plenary meeting of the Assembly on the 28th September, 1923.

In pursuance of the Assembly's other resolution of the same date, referred to above, the Council decided, on the 11th December, 1923, to ask states in whose territory or colonial possessions slavery had formerly existed for information regarding the measures adopted for its suppression and their social and economic results. The choice of a body to which the conduct of an inquiry into the question of slavery should be entrusted was postponed to the next session. Meanwhile, the Abyssinian Government gave an earnest of its good intentions by forwarding a report on slavery to the Secretariat of the League on the 1st April, 1924.

(iii) The Rectification of Frontier between the Territories mandated to Great Britain and Belgium in East Africa

The partition of the former German colony of East Africa between two Mandatory Powers has been described in the *History of the Peace Conference of Paris*.[1] The new frontier was designed to reward Belgium for her part in the African campaign during the War of 1914 by assigning to her a territory which was valuable, out of all proportion to its area, on account of the density of its population [2] and the suitability of its climate for White settlement, and at the same time to leave under British mandate a corridor of territory, west of the Victoria Nyanza, through which it would be possible to construct a north-and-south railway, in order that the entire length of the 'Cape-to-Cairo' railway, when completed, might be under British control. In other words the frontier was drawn in order to reconcile the interests of the two Mandatory Powers and not for the benefit of the native population, and in fact the line partitioned the native kingdom of Ruanda to the political prejudice of the native ruler and the economic detriment of his subjects.

The hardships and losses thus caused to the native population, in whose interests the mandates were intended to be administered,

[1] Vol. ii, pp. 242–3.

[2] It was estimated to contain nearly half the population of German East Africa.

were brought by French and Swiss missionaries to the notice of the Permanent Mandates Commission of the League of Nations during its second meeting in August, 1922 ; the Commission dealt with the question in its report to the Council ; and on the 4th September, 1922, the Council requested its President to communicate the observations of the Commission to the British and Belgian Governments. Fortunately for the people of Ruanda, it had been ascertained meanwhile that an alignment for the projected British railway could be found without touching Ruanda territory. In these circumstances, the British and Belgian Governments opened negotiations which ended in the conclusion of an agreement providing for the rectification of the frontier and the reconstitution in its entirety of the Kingdom of Ruanda under Belgian mandate. This agreement was communicated to the Secretary-General of the League by letters dated the 3rd August, 1923, from both Governments.

(iv) The Administration of the Mandate for South-West Africa[1]

The former German colony of South-West Africa had been conquered by the forces of the South African Union in 1915, ceded by Germany to the Allies under the Versailles Treaty,[2] and assigned under a mandate to the South African Government by the Principal Allied Powers.[3] The territory remained under martial law from 1915 until October, 1920, when the South African Government appointed Mr. C. R. Hofmeyr, Clerk to the House of Assembly, as Administrator to inaugurate a civil régime. The terms of the mandate were approved by the Council of the League on the 17th December, 1920, and communicated to the South African Government on the 11th February, 1921.

The Administrator was confronted with an extremely difficult task. The fundamental law of the mandate system was, according to the Covenant, that there should be applied, to ' peoples not yet able to stand by themselves under the strenuous conditions of the modern world, the principle that the well-being and development of such peoples form a sacred trust of civilization '. The mandate for South-West Africa further stated that ' the Mandatory shall

[1] For the documents on which the following account is based, and which are referred to by numbers in the foot-notes, see the bibliographical note at the end of the section, p. 416.
[2] Part IV, Section I, Articles 119–27.
[3] See *H. P. C.*, vol. vi, Ch. VI, Part 4.

promote to the utmost the material and moral well-being and the social progress of the inhabitants of the territory '.[1] In other mandated territories in Africa, the inhabitants all belonged to native African races, with the exception of a few White officials, missionaries, and traders who had no permanent roots in the country. In South-West Africa alone the settled population was mixed. According to the census of 1922, the territory contained 177,462 natives, 30,845 half-breeds and 19,432 Whites ; and, of the White inhabitants, 7,855 were German nationals who had stayed on after the conquest, while 11,055 were British subjects from the South African Union who had settled in the territory since. The problem of reconciling these various interests would have been difficult in any case, and unfortunately the relations between the different communities were embittered—partly by the recent political and social history of the country and partly by the permanent influences of climate and physical environment.

The German settlers resented the forcible extinction of their own national government, and they appear to have interpreted the mandate as meaning that the territory was only temporarily held in trust by the conquerors, and that it would be restored to Germany as soon as she became a Member of the League of Nations.[2] They were thus inclined to adopt a policy of non-co-operation with the new administration, 'and the question was how they could be induced to assimilate themselves with our [i. e. the South African] system of democratic government after having been brought up under a rigid military system.'[3] The Union Government at first proposed to confer British citizenship upon them *en masse* compulsorily, but the Permanent Mandates Commission of the League rejected the proposal, during their second session in August, 1922, as ' contrary to the spirit of the Covenant and to the essence of the institution of Mandates '. Their decision on this point was a rider to certain general recommendations which they made, after careful inquiry, regarding the status of native inhabitants of ' B ' and ' C ' Mandated territories. They advised the Council that the natives ' should be granted a national status wholly distinct from that of nationals of the Mandatory Power ' ; but this was qualified by the further recommendation that ' the individual and purely voluntary acquisition ' of the Mandatory Power's nationality by

[1] See Doc. 8, § 7, where these facts are recalled.
[2] See Mr. Hofmeyr's statement, Doc. 9, p. 44.
[3] *Loc. cit.*

the inhabitants of those territories should not be ruled out ; and, on the basis of this second recommendation, Sir Edgar Walton, the High Commissioner of the Union in London who was representing his Government at Geneva, suggested to the Council that all German inhabitants of South-West Africa should be treated as British subjects, citizens of the South African Union, unless they objected—in which case they should be at liberty, by signing papers individually, to retain their German nationality. The Council accepted this suggestion on the 23rd April, 1923,[1] and a Bill was introduced into the South African Parliament for applying the procedure thus sanctioned to all German nationals domiciled in South-West Africa on the 1st January, 1924.

In October, 1923, negotiations regarding the status of the German settlers in South-West Africa took place in London between General Smuts and representatives of the German *Reich*, as a result of which a memorandum, setting forth the policy of the Union Government, was signed by both parties on the 23rd October.[2] In this document, the Union Government declared its intention ' to accept the Germans of South-West Africa as part of the people, with the same privileges and responsibilities as other citizens '. Facilities were to be given for the use of the German language in relations between the settlers and the Administration ; certain existing German schools were to receive grants ; German churches and missions were to be treated sympathetically ; the immigration laws in force in the Union were to apply to South-West Africa, and ' Germans who conform to the provisions of the Act shall be welcome ' ; liability for pensions for ex-employees of the German Government was accepted by the Administration ; and, finally, Germans in South-West Africa and their children were not to be liable in any circumstances for military service against the *Reich* for a period of thirty years from the date of signing of the memorandum.[3]

The Bill introduced by the Union Government into the South African Parliament for the automatic naturalization of all German nationals in South-West Africa who did not make a written declara-

[1] See General Smuts's letter of the 16th May, 1923, to the Chairman of the Permanent Mandates Commission (Doc. 5, p. 1).

[2] Text in British White Paper, *Cmd.* 2220 of 1924.

[3] It is noticeable that in this memorandum there was no mention of the problem of dual citizenship, which might arise in view of the German law of citizenship. In the debate in the South African Parliament on the 27th August, 1924, General Smuts stated that this would not arise in fact except in the case of naturalized Union citizens of German origin who returned to Germany.

tion of their wish to be excepted within six months of the Bill coming into force,[1] passed into law in September, 1924.[2]

This was an important step towards breaking down the barriers between the two White nationalities; but the feud between Germans and South Africans did not go so deep as the feud between Germans and natives, which had become embittered to the utmost degree by the time of the change of rule in 1915; and the most dangerous pitfall in the Administrator's path was that, in his anxiety not only to do justice but to show consideration to the Germans,[3] he might lose the confidence of the natives and thus be unable to prevent a situation arising in which the White population would be ranged solidly on one side against the natives on the other.

Apart from any tension of feeling, this situation was likely to arise out of the mere disparity of numbers. The Whites, less than 20,000 all told, were confronted by over 200,000 half-breeds and natives, and this coloured majority was in direct contact, across the artificial eastern and northern boundaries of the territory, with the great coloured population of Tropical Africa, occupying the whole continent between the Kalahari and the Sahara. South-West Africa, in fact, lay on the borderline between the temperate zone, in which the White Man could make himself at home and reduce the native to a subordinate position by the effect of his economic and social superiority, and the tropical zone, in which the climate fought for the native and condemned the White Man to be a pilgrim and a sojourner in a Black Man's country.[4] The northern and north-eastern parts of the territory were still held by unbroken Bantu tribes, who lay outside the police-zone, retained their arms,[5] and managed their own affairs. The centre and south, on the other hand, were a debatable area between the two races, and from the arrival of the Germans in 1884 down to the conquest in 1915 the struggle for possession had been conducted, on the German side, as a war of extermination.

The conflict was further aggravated by the fact that the country as a whole was arid, so that the lands capable of being inhabited, whether by natives or by Whites, were only a fraction of the total area. Room could not be found for German farmers except by driving the natives from the less ill-watered lands into tracts in which

[1] Or alternatively at a date previous to the coming into force of the Act, as the Bill was amended on the motion of General Smuts.

[2] See *The Times*, 8th September, 1924. [3] See Doc. 9, p. 125.

[4] Except for a few highland enclaves in Southern Rhodesia, Ruanda, and Kenya Colony, the whole continent between the Kalahari and the Sahara was unsuitable for White settlement.

[5] See Doc. 9, p. 50.

even stock-breeding could only be carried on in favourable years, and where the native, in order to exist, must partly revert to hunting and roam at large in pursuit of game. The history of the incessant and ferocious German campaigns against the native tribes falls outside the scope of this book. It need only be stated that, in 1915, the South Africans found only one unbroken non-German community in this part of the territory, namely, the Rehoboth Bastards—Dutch Hottentot half-breeds who had trekked from Cape Colony about the year 1871 and had made a treaty with the Germans in 1885.[1] Otherwise there were only the scattered remnants of tribes, such as the Herero Bantus in the east centre and the Bondelzwart Hottentots in the extreme south, near the Orange River. Under the German régime the natives had been forbidden to keep cattle, forbidden to move without a pass, and forced to labour in the service of the Government or the settlers if convicted of vagrancy. The veto upon cattle-owning made it virtually impossible for the natives to lead an independent economic life, and the implication of the German policy was that they must either become hewers of wood and drawers of water for the White colonists or else disappear.

The bad record of the Germans in their treatment of native races was the moral ground on which the Allied Powers had justified their decision to deprive Germany of her overseas possessions. 'When I took office in 1920,' Mr. Hofmeyr stated to the Permanent Mandates Commission, 'it was believed in the Union generally that the granting of the mandate to the Union was based mainly on the assumption that the Germans were unfit to govern the native races by reason of their alleged harshness and cruelty.'[2] In the Union, and particularly, perhaps, in the Cape Province, the traditional relations between Whites and Blacks were very much more humane, and, from the outset, the new administration in South-West Africa made serious and largely successful efforts to grapple with the acute racial problem which it had inherited from the previous régime. The veto on the ownership of cattle by natives was removed and distributions of stock were made to them; the flogging of natives by employers, or by the police on behalf of employers, was prohibited; and forced labour was abolished, not only for children under fourteen but for all women and for any men possessing certain minimum means of subsistence (reckoned in head of cattle). These were great mitigations of the hardships to which the native was exposed, and the

[1] See Mr. Hofmeyr's account of this interesting community in Doc. 9, p. 81.

[2] *Ibid.*, p. 47.

new Administration deserved all credit for having introduced them ; but the fundamental relations between the races remained the same, for at bottom the South Africans took the same view as the Germans of the position which the native should occupy in a ' White Man's country ', however much they might be shocked at the brutality with which the Germans had put the White Man's philosophy into practice.

The real difficulty was that the Whites and natives stood for two incompatible social ideals and economic systems. To the Whites it seemed right that all parts of the country suitable for White settlement should be parcelled out into White Men's farms, and that only land which was unsuitable for this purpose should be reserved for the natives' exclusive occupation. The new Administration made a more generous estimate than the old of the amount and the quality of the land which the surviving natives needed for their livelihood, but they too took the view that the proper solution for the natives' economic problem was not to live their own life apart upon their reserves but to come and work as hired labourers on the White Men's farms, mines, and railways. In other words, they demanded that the native should not only adapt himself to the White Man's economic system but should enter the White Man's service in a permanently subordinate position, and that demand was made by the entire White community up to and including the Administrator himself. This was brought out in a discussion between Major Herbst, the Secretary to the Administrator, and the Permanent Mandates Commission of the League of Nations, which took place at Geneva on the 31st July, 1923.[1]

Sir F. Lugard : I have one question to ask. I think it is clear to any one who reads this report that the general feeling of the ignorant farmers was that the natives were there chiefly as labourers for themselves.

Major Herbst : It was not only the ignorant farmers, it was also the educated farmers who thought that.

Sir F. Lugard : That must have been a very great difficulty for the Administration ; but I observe also that this opinion seems to have been shared by Mr. Hofmeyr, whose views, we are given to understand, are supported by the Mandatory Power. On page two of the Administrator's report he says that he explained to the people in the reserve that it was their duty to take service with the White Man, and when they complained that they had not been paid, and he was shown marks of flogging, he merely said he would give instructions to the magistrate to protect them in the future. On page two of his reply to the inquiry, he remarks that the bulk of the natives must be provided with separate areas, ' except those required for labour purposes ' ; and lower down

[1] Doc. 4. p. 120.

he says that in the reserves they will breed healthy children 'representing potential labourers in the future'. It would seem therefore that the Administrator himself shared the farmers' view of the natives.

Major Herbst: If you work in a country where 90 per cent. of the European population is against your policy you must point out to them any benefits accruing to them indirectly from such a policy.

From Major Herbst's last quoted statement it would appear that the Administrator, while sharing the general outlook of his race, was sincerely attempting to carry out in detail a more liberal native policy than the White settlers of either nationality approved. 'When I arrived', Mr. Hofmeyr himself stated, on another occasion, 'I found intense White unrest',[1] and Major Herbst gave similar evidence.[2]

The causes [of the bad relations between the Black and White populations] appeared to be permanent. The Europeans in that part of the world were intensely anti-native and there was no difference as regards races [i. e. German, Dutch, and English], except in degree, in the feeling shown. Naturally a German farmer who had lived under the German régime was more bitter against the native than a farmer coming from the Union. The chief complaint was of the poor quality of the native labour and that it was necessary to go perhaps two hundred miles to find a magistrate to punish a delinquent.

It is therefore not surprising to find that the new administration maintained the two main principles of German native policy, namely, that every male native above the age of fourteen must carry a pass and that he must be in employment unless he possessed visible means of support. Another German practice was also continued.

Sir F. Lugard referred to a passage in the report[3] where it was stated that 'it is the duty of a magistrate convicting a person of a first offence . . . to adjudge him, in lieu of the punishment prescribed, to a term of service on public works, or to employment under any municipality or private person other than the complainant, for a term not exceeding that for which imprisonment may be imposed, at such wages as the magistrate may deem fair'. He inquired whether this meant that a magistrate had the power to send a person convicted of any offence to any master instead of carrying out the sentence inflicted by the court. Major Herbst replied that that was so. In the opinion of the Administration, it was far better for a man capable of doing useful work to do it, and to receive wages for it, than to serve a term of imprisonment at Government expense. Sir F. Lugard inquired whether a convicted person could be sent to an ordinary farmer and whether in that case that form of labour was popular with the farmers. Major Herbst replied that the answer to both questions was in the affirmative. The farmers were delighted to obtain any form of labour and were

[1] Doc. 9, p. 47. [2] Doc. 4, p. 112.
[3] The Administrator's report for 1922 to the South African Parliament.

frequently to be seen standing outside the magistrate's court waiting for persons up for judgment to be convicted in order to hire them.[1]

In these circumstances, unrest among natives as well as Whites was naturally to be expected. The native and half-breed population of South-West Africa had at first welcomed the South African invaders as liberators from the German yoke, and had taken considerable risks in order to assist their cause. The Rehoboth Bastards, for example, had forfeited their treaty with the Germans by refusing to fight for them against General Botha ; and Abraham Morris, a former Captain of the Bondelzwart Hottentots, who had been in exile in the Union territory since 1906 (when the Bondelzwarts had capitulated to the Germans after a fierce war), had volunteered in the Union forces as a guide. For these services the natives expected a reward. The Bastards, for example, drafted a treaty between themselves and King George under which they were to live as an autonomous community without local White interference in their administration.[2] The others, less ambitious politically, concentrated their hopes upon a restoration of their confiscated lands, and these hopes were raised very high by the action of the victors, who not only proclaimed that they were depriving the Germans of the government of the country on account of their past treatment of the natives, but began to make good these professions by those administrative ameliorations in the condition of the natives which have been mentioned above. The spectacle of the military defeat of the Germans and the sudden experience of a milder régime led the natives to believe ' that the change of administration had placed their former masters in the same position as themselves—a conquered people, having no greater rights than their former servants. This was at once revealed by their attitude towards their former masters, to whom they were barely civil. . . . The natives misunderstood the change, which they regarded as a sign of weakness.' [3] ' Generally speaking, they refuse to work for any German, but they were compelled by our own native affairs officials, but for whose action the farmers would have been in a sorry plight.' [4]

With this degree of unrest on both sides, dangerous misunderstandings were almost inevitable. The new Administration could not fulfil the incompatible expectations which the Whites and natives had formed, and it was therefore bound to provoke intense

[1] Doc. 4, p. 112. [2] See Mr. Hofmeyr's statement in Doc. 9, p. 81.
[3] Statement by Mr. Hofmeyr, *ibid.*, p. 44.
[4] Mr. Hofmeyr in Doc. 3.

resentment on one side or the other as soon as it began to define its policy in detail. The crisis was brought on when Mr. Hofmeyr, a few weeks after his arrival, appointed a commission to inquire into the conditions of the natives generally and especially into conditions in the locations and reserves, with a view to getting rid, as far as possible, of the 'Black Islands' in the centre and south of the territory and carrying through the policy of segregation which had been proposed already in the territories of the Union. The effect upon the minds of the natives of South-West Africa may be told in Mr. Hofmeyr's own words :

> The natives, who, of course, had been the original owners of the land, which had as a result of war been confiscated by the German Government, cut up into farms and sold or allotted to Europeans, had formed the expectation that this Administration, as the natural result of the War, would similarly confiscate German-owned farms, and thus the natives would recover the lost land and homes previously occupied by them. Almost without exception each section asked for the allotment of the old tribal areas, in which vested interests had accrued, and the utmost difficulty was experienced in making them realize the utter impossibility of complying with such a request.[1]

The misunderstanding was so great that the racial conflict was almost bound to break out in violent form at some point, sooner or later. The victims of the catastrophe, when it came, happened to be the Bondelzwart Hottentots, a small and isolated tribe domiciled in the extreme south of the territory, whither they had migrated from Cape Colony towards the close of the eighteenth century.

The Bondelzwarts, who had a strain of Dutch blood and certain rudimentary traditions of communal government on the Dutch colonial model, were 'unwilling to accept the position of a servile race' and 'as labourers they were poor material'.[2] They had fought the Germans in 1896 and again in 1904–6, and after the last of these wars their reserve had been cut down by treaty and their captains (the chief of whom were Abraham Morris, already mentioned, and a certain Jacobus Christian) had been driven into exile. Between 1915 and the catastrophe of May, 1922, they had become alienated from the new Administration by the following grievances :

(*a*) Though they had petitioned since 1916 that Christian should be allowed to return from his asylum in Union territory and become their captain again, this was refused by the Administration in deference to the opinion of the local White farmers, and headmen

[1] Extract from the Administrator's report for 1922, quoted by him in Doc. 3.

[2] Doc. 2.

were appointed by the Administration who had neither official administrative powers nor influence over the tribe.[1]

(*b*) When, in July, 1919, Christian returned to the Bondelzwarts Reserve without leave, the police invited him to visit the local magistrate at Warmbad and then arrested him on the road. The Administration inquired into the incident, censured the action of the police, and allowed Christian to stay; but the incident created distrust of the Administration as a whole, which the Bondelzwarts naturally if mistakenly identified in their minds with its local subordinate representatives.

(*c*) While the Bondelzwarts were confirmed by the Administration in the possession of the Reserve within which they had been confined in 1906 by the Germans, none of their old lands were restored, and a dispute regarding the boundaries laid down in 1906 was (no doubt correctly) decided by the Administration against them.[2]

(*d*) In order to eke out the scanty livelihood obtainable by raising stock on their Reserve, the Bondelzwarts hunted game over the country at large, and for this purpose they bred a large number of hunting dogs, which were said to make depredations on the stock of the White farmers. Under the German régime, dogs belonging to native tribes had been kept down by the police, who were empowered to destroy them at their discretion, and there had been no dog-tax except in the few municipal areas. In 1917 a moderate tax (five shillings per annum per dog, with exemption for one dog per owner) had been imposed in rural districts by the South African Military Administration; but on the 1st February, 1921, Mr. Hofmeyr imposed a much heavier tax (steeply graded for each additional dog after the first, which was still exempted). This new tax was uniform in all areas (rural and municipal) and for both races, and its object was to produce the same effect as the German regulation by a means that might be expected to create less bad blood between the police and the natives. The Bondelzwarts, however, complained that in their case the rate of tax was prohibitive. In May, 1921, Major C. N. Manning, the Native Commissioner of the Territory,

[1] Timotheus Beukes, the last of the series, who was the officially recognized headman of the tribe at the time when the catastrophe occurred, formally requested, in a letter addressed to the Magistrate at Warmbad on the 5th October, 1920, to be relieved of his duties, and himself expressed his readiness to hand over his office to Christian, on the ground that the tribe wished to have the latter for their captain. For the text of this petition, which was not granted, see Doc. 13, Exhibit G. For an estimate of Beukes's character, which was notoriously bad, see Doc. 13, *Reasons for Judgment*, pp. 14–15

[2] Doc. 2.

visited them and impressed upon them, kindly but firmly, that they must obey the law, and in June they attempted to raise the necessary cash by offering stock for sale to the White shopkeepers at Warmbad ; but the shopkeepers appear to have offered them unreasonably low prices, and these payable not in cash but in ' good-fors ' or drafts for goods on sale in their stores.[1] The Bondelzwarts then explained their plight to the authorities. Nevertheless, between the 19th September, 1921, and the 23rd January, 1922, more than one hundred and forty members of the tribe were prosecuted, and more than a hundred sentenced to fines averaging £2 or to fourteen days imprisonment, for failure to pay the tax. This left its mark, and, although the Administrator reduced the tax by fifty per cent. on the 22nd February, 1922 (that is, about two months before the catastrophe), it still remained only a little lower in rural districts than it had been in municipal areas under the German régime.[2]

(*e*) Under a regulation dated the 13th August, 1921, all owners of stock in the territory were compelled by the Administration to purchase branding-irons at thirty shillings each ; but whereas White owners were given possession of the irons thus compulsorily purchased, the irons for which the natives were compelled to pay were retained by the police. The motives alleged were the protection of White farmers against thefts of cattle by natives and the protection of native owners against false claims by Whites for the restitution of cattle alleged to be stolen property. The natives, however, resented paying for an object of which they had not obtained delivery.

In spite of these grievances, the Bondelzwarts did not show themselves recalcitrant on the crucial question of native labour for the White community. To the Administrator, who visited them personally in February, 1921, and spoke to them of their ' duty to assist in the development of the territory by taking service with the White Man ', they complained that their employers flogged them and failed to pay their wages ; [3] but the Union Government Commission of Inquiry [4] afterwards reported that they ' had readily complied with the labour regulations of the Administration '. The Commission added in explanation that ' many of the small farmers were so poor

[1] Doc. 1, p. 3.

[2] In reporting on the dogs and the dog-tax, the Administrator observed that the Bondelzwarts ' profited by the employment of these animals to hunt down game and obtained a livelihood thereby instead of by honest labour ' (*loc. cit.*).

[3] Doc. 1, p. 2.

[4] See below, p. 411.

that they had no money with which to pay their servants. It is, however, a difficult matter to impress this view on those who serve.' It was specially difficult in the case of the Bondelzwarts, since their poverty was extreme. 'The majority', Major Manning stated in a report on his visit,[1] 'were somewhat aged, physically unfit and apparently in poor circumstances compared with most natives elsewhere', and the majority of the Commission of Inquiry described their condition as follows :

> Here we have a people growing each year poorer and yet poorer and more miserable, men and women who require the supreme grace of patience and forbearance just because their conditions in life made them wayward and unreasonable. For such people what was needed and is always needed is the human quality of understanding.

It is to be observed that both the majority and the minority of the Commission of Inquiry held that the Administrator himself 'showed patience and forbearance' during the critical days immediately preceding the catastrophe, and the impression made by the available evidence upon the Permanent Mandates Commission of the League was that the disaster might have been averted if there could have been direct relations throughout between the Bondelzwarts and the senior civil officials in the Mandatory Administration.[2] The natives always seem to have been amenable when they were dealing with senior officials face to face. 'I could find no proof of insolence or hostility on this man's [Jacobus Christian's] part,' Major Manning reported on the 26th May, 1921 ;[3] and, even when the catastrophe was imminent, the Divisional Inspector of Police, Major C. A. van Coller, reported, after a visit to Jacobus Christian on the 21st May, 1922, that 'they gave an attentive hearing and showed no hostility towards us'.[4] The mischief was caused by the dearth of enlightened, experienced, and responsible officials, and by the inability of the few officials of this stamp to exercise sufficient control over their subordinates at a distance. Major Manning, after his visit in May, 1921, advised that the Bondelzwarts should be dealt with through the civil authorities and not through the police, and after this a superintendent of natives was appointed to the Bondelzwarts Reserve. This official, however, appears to have been merely a clerk in the local magistrate's office ; when the crisis came, he was one of the two subordinate officials who fatally mishandled the situation ; the

[1] Report of the 26th May, 1922, printed as Annexure A to Doc. 1.
[2] See Doc. 8.
[3] Doc. 1, Annexure A.
[4] Doc. 1, Annexure E.

other was a police sergeant ; and the only higher official sent to the spot by the Administrator on this occasion was the Divisional Police Inspector. In remarking upon the bad relations between the police and the Bondelzwarts, the Commission of Inquiry observed that some magistrates also ' displayed lamentable ignorance and incompetence in their dealings with the natives '.

The catastrophe was precipitated by the unauthorized return of Abraham Morris from Union territory with a party (sixteen in all) bearing arms and bringing cattle with them. He arrived in the Bondelzwarts Reserve on the 28th April, 1922, and since his action had contravened the administrative regulations of the territory under three different heads, a police sergeant named van Niekerk was sent to arrest him on the 5th May. Morris handed over to van Niekerk his rifle, cartridges, and Union Government rifle permit ; but on the 8th, when van Niekerk attempted to arrest him, the remainder of the tribe intervened and van Niekerk was afterwards reported by them (though he himself denied this) to have threatened them on this occasion with military action. After this the Bondelzwarts appointed Morris their military commander and ' went into laager ' on a hill-top called Guruchas with their women and children.

The Administrator, on his side, now demanded the surrender not only of Morris and four of his companions but of all arms in the Bondelzwarts' possession, and he negotiated to this end with Jacobus Christian, the *de facto* civil chief of the Bondelzwarts, through the Divisional Police Inspector, Major van Coller, the Superintendent of the Bondelzwarts Reserve, Mr. Noothout, a Roman Catholic Bishop, Monsignor Krolikowski, and finally through a native messenger. The negotiations lasted until the 23rd, but Christian failed to surrender the five men and did not take advantage of an invitation to meet the Administrator at some place outside the Reserve in order to talk things over. Meanwhile, on the 19th May, the Administrator had called for volunteers. He then came down from the administrative capital, Windhoek, and took personal command, and on the 26th he started military operations.

The Government forces consisted of three hundred and seventy volunteer mounted riflemen with machine guns and two Union Government aeroplanes, while the Bondelzwarts were estimated to have six hundred men of military age, of whom two hundred at the most were armed.[1] ' The scheme really aimed at the complete

[1] Only seventy rifles were actually accounted for after the conclusion of the operations (Major Herbst's evidence in Doc. 4, p. 122).

envelopment of the Hottentots . . . and consequently by depriving him of water, other than at Guruchas and Haib, the enemy would be forced to an engagement at the latter two places.' [1] By the 29th May the enveloping movement had been completed, and the final attack on Guruchas was made on that date. The greatest effect was produced by the aeroplanes, which bombarded the hill-top from 3 p.m. until dusk, unintentionally wounding seven women and killing two children. Next morning ninety males and seven hundred women and children surrendered, but some of the Bondelzwart fighting-men had made their way through the cordon during the night. The fugitives were hotly pursued; there was another engagement on the 3rd June, in which Morris was killed; and Christian with one hundred and fifty followers surrendered on the 7th. In all, one hundred Bondelzwarts were killed and four hundred and sixty-eight (including the wounded) taken prisoners, while the Whites lost two killed and four or five wounded.[2] Four leaders, including Christian, were tried, and three of them were convicted,[3] Christian himself being condemned to five years' imprisonment with hard labour.[4] The wounded were taken to hospital. The women and children were

[1] Doc. 1, Annexure E (report on the military operations by Major van Coller, who acted as the Administrator's Chief of Staff).

[2] Doc. 4, p. 122 (Major Herbst's evidence).

[3] The fourth, Timotheus Beukes (who was the headman that had been appointed by the Administration against the wishes of the tribe) turned King's Evidence.

[4] The *procès-verbal* of the trial is given in Doc. 13, including the indictment, the evidence obtained from the witnesses under cross-examination, the judgement, the reasons for the judgement, and a number of exhibits. It is to be noted that the trial took place in the High Court of South-West Africa in May and June, 1923, judgement being delivered on the 4th June, after the accused had been awaiting trial in prison for more than a year. Among the witnesses examined were Beukes, Fleck (the Magistrate at Warmbad), Noothout, van Coller, van Niekerk, and Christian himself, but not, apparently, Monsignor Krolikowski. While remarking that 'the case for the Crown rests largely upon the evidence of Timotheus Beukes', the Court declared that, 'having regard to the character of this man, and the manner in which he gave his evidence, the Court has attached no weight whatever to any of his uncorroborated statements'. During the proceedings the Attorney-General dissociated himself entirely from the evidence given by one witness and formally withdrew a count based on it, since the Court found that the witness had been induced to give false evidence by a member of the Criminal Investigation Department. Out of the nine charges in the indictment, five were withdrawn during the trial, and the Court declared the accused not guilty on three, and also on one of the three sub-heads into which the ninth was divided. Christian was convicted on the second and third sub-heads of this ninth count, under which he was accused of having engaged in active hostilities against His Majesty's forces on or about the 28th and 29th May and the 3rd June, 1922. In announcing the sentence, the Court incidentally paid several remarkable tributes to the character and conduct of the condemned man.

kept in a concentration camp, where they were fed on their own stock until they were eventually dismissed. ' A large number of cattle died of drought during the military operations and after. Only about half the cattle remained over and were returned. . . . None of the cattle was confiscated by the authorities.' [1]

On the 22nd June, 1922, the Administrator addressed a ' Report on the Bondelzwarts Rising ' [2] to the Mandatory Government, and on the 22nd July General Smuts appointed a Commission of Inquiry, consisting of three members of an expert advisory body, the Native Affairs Statutory Commission of the Union, to inquire into ' the causes, and features in regard to the manner of suppression, of the rebellion of the Bondelzwarts '. It is to be noted that the Mandatory Power not only took this action on its own initiative, but that it was itself instrumental in bringing the matter to the notice of the League of Nations at the next session of the Assembly. On the 5th September, 1922, the representative of South Africa, Sir Edgar Walton, laid papers relating to the Bondelzwarts Affair on the table ; the Assembly referred the question to a committee on the motion of the representative of Haiti ; and on the 20th September it passed a unanimous resolution expressing :

> (*a*) Its profound satisfaction with the official statement made by Sir Edgar Walton, Delegate for South Africa, that a full and impartial inquiry will be made into all the facts of the Bondelzwart Rebellion and its repression.
>
> (*b*) The confident hope that the Permanent Mandates Commission, at its next session, will consider this question and be able to report that satisfactory conditions have been established ; and that, in the meanwhile, the Mandatory Power will make every effort to relieve the suffering of the victims, particularly the women and children, and that it will ensure protection and restitution of the remaining live-stock and, in general, the restoration of the economic life in the Bondelzwart district.

Meanwhile, the Union Government Commission of Inquiry was conducting its investigations, and it duly reported on the 19th March, 1923.[3] The critical questions were : Had the Bondelzwarts determined to revolt before the return of Morris ? If so, had Morris returned by invitation in order to lead the revolt ? Did van Niekerk threaten the Bondelzwarts with war on the 8th May, 1922 ? Did Noothout, on the 16th May, promise, in the Administrator's name, that, if the Bondelzwarts surrendered Morris and his four companions, everything ' would be forgiven and forgotten ', and that this amnesty

[1] Doc. 4, p. 132 (Major Herbst's evidence).
[2] Doc. 1.
[3] Doc. 2.

would cover not only the remainder of the tribe but the five men themselves ? In regard to what passed on these two dates, there was a conflict of evidence—in the former case between Sergeant van Niekerk and the Bondelzwart leaders, and in the latter case between Mr. Noothout and Monsignor Krolikowski. It would be beyond the province of the present survey to attempt a re-examination of the evidence, and it can only be stated here that, although the report was actually signed by all three members of the Commission, one member dissented, on almost every point of importance, from the majority view as expressed by the chairman and his other colleague, and associated himself almost entirely with the views of the Administrator as expressed in his report of the 22nd June, 1922.[1]

When this report was laid before the South African Parliament, an attack was made upon General Smuts for his action in appointing the Commission ; and, in the ensuing debate, the Prime Minister ' not only defended ' the action of the Administrator ' but made a very grave statement to the effect that, if it had not been for the action taken by the Administrator, the country might have been committed to a very serious military operation, which would have involved very serious loss of life and which would have been on a very large scale '.[2] The South African Government transmitted the text of the report of its Commission of Inquiry to the Permanent Mandates Commission of the League, and also sent Major Herbst, the Secretary to the Administrator of South-West Africa, to Geneva, in order to answer any questions which the Permanent Mandates Commission might desire to put to him. On the other hand, the Mandatory Government did not furnish the Mandates Commission with any comment on the report or with any statement of its own opinion ; and Sir Edgar Walton, who attended the Third Session of the Mandates Commission (20th July to 10th August, 1923) as the representative of his Government, announced that he was not authorized to state that the Mandatory Power endorsed, either wholly or in part, the findings of the majority of the Commission of Inquiry, and that he had no instructions to answer the question in what respect the Mandatory Power differed from the findings of the Commission if it did not endorse them, and whether it was its intention further to investigate the matter.[3]

[1] Doc. 1. See above, p. 411.
[2] Doc. 4, p. 113 (statement by Sir E. Walton before the Permanent Mandates Commission of the League).
[3] *Ibid.*, pp. 113–16.

In these circumstances, the Permanent Mandates Commission, on the basis of the South African official documents before it,[1] drew up a searching questionnaire,[2] the range of which (like that of the Union Government Commission of Inquiry's report) extended beyond the immediate facts of the armed conflict between the Bondelzwarts and the forces of the Mandatory Administration to the general antecedents of the affair and the general remedial measures which were being or should be taken. Major Herbst made oral replies before the Commission on the 31st July and the 1st and 7th August, and that body, in its subsequent report to the Council of the League,[3] described as ' very favourable ' the ' impression produced by the tone of sincerity and the spontaneity of his replies ', though in the same passage it expressed the opinion that these replies ' could only be regarded as one-sided replies on behalf of the local Administration, of which Major Herbst had himself been a member '.

In this report, which was dated the 14th August, 1923, the Permanent Mandates Commission also noted that it had received no report of the Mandatory Power ; that ' by failing to pronounce on this matter, the Mandatory Power rendered it impossible for the Mandates Commission to decide which of the contradictory versions which had been supplied was the one which should be regarded as exactly describing the course of events and the measures of the Administration ' ; and that it ' was unanimously of opinion that a complete and authoritative inquiry had not taken place '. ' The Commission considered whether it was entitled to take the place of the Mandatory Power and proceed to an inquiry itself ', but it unanimously decided this question in the negative for reasons which it proceeded to give. ' The majority of the Commission (five members out of the eight attending the session) . . . concluded that it was desirable that it should meet the wishes of the Assembly and the Council by giving its opinion—subject, however, to the reservations rendered necessary by the circumstances of the case and by the fact that only one party had been heard.' The following passages may be quoted from this majority pronouncement :

> The causes which led to the rising appear to the majority of the Commission to be due primarily to the unfortunate feelings of distrust which, it had been informed, characterized the attitude towards each other of the White and Black races. In South-West Africa even the

[1] i. e. Docs. 1, 2, and 3, afterwards supplemented by Doc. 7.
[2] Doc. 6.
[3] Doc. 8.

> educated classes, the Commission was told, regarded the natives as existing chiefly for the purpose of labour for Whites. . . .
>
> The first cause of the trouble, therefore, was the discontent of a people driven to exasperation by grievances which they probably exaggerated and for which they could obtain no redress.
>
> The Majority of the Commission recognizes that the task of the Mandatory was rendered exceedingly delicate and difficult owing to historic circumstances, local conditions, and the special characteristics of the population. It regrets, however, that it has been unable to convince itself that these difficulties, real though they were, justified in a territory under mandate the treatment of the natives as indicated by the evidence and the statements of which the Mandates Commission has taken cognisance.
>
> The second and more immediate cause of the rising appears to the majority of the Mandates Commission to have arisen from the fact that the Administrator despatched as messengers to the Bondels first a subordinate police officer, and later the senior police officer. . . .
>
> As regards the conduct of the military operations, it is not disputed that the Administrator, when it became evident that hostilities were inevitable, acted wisely in taking prompt and effective steps to uphold Government authority and to prevent the spread of disaffection.
>
> As the Mandates Commission has for obvious reasons been unable itself to collect any native evidence, it can express no opinion as to whether these operations were conducted with needless severity or not.

Annexed to the report was a separate statement by the Chairman, Marquess Alberto Theodoli (Italy), who went farther than his colleagues in desiring to declare, as a fundamental principle laid down in the Covenant of the League, that in mandated territories 'first in importance come the interests of the natives, secondly the interests of the Whites'.

With regard to the remedial measures suggested by the Assembly on the 20th September, 1922, the Permanent Mandates Commission embodied in their report *verbatim* the replies given by Major Herbst on the 1st August, 1923, to three points in their questionnaire: 'What measures have been taken to relieve the sufferings of the victims, particularly of the women and children? What proportion of live stock was returned to the Bondelzwarts? What general measures have been taken tending towards the restoration of the economic life of the tribe?' In answer to the last question Major Herbst had only been able to say 'that nothing special had been done. The men were merely encouraged to go out to work'; and these words, with which the report concluded, left a painful impression. On the 13th December, 1923, however, when the report came before the Council, assurances that steps would be taken to rehabilitate the natives of the Bondelzwarts District were given by the representative of South Africa, Sir Edgar Walton; and definite

information on this point was received by the Permanent Mandates Commission at their fourth session (24th June to 8th July, 1924).

On this occasion the Mandatory Power were represented by the Administrator of South-West Africa in person, who presented the Commission with abundant statistical and cartographical material and gave them a full and frank 'account of his stewardship'[1] in the form of an oral statement which occupied two sittings.[2] He informed the Commission that Jacobus Christian and the two other leaders imprisoned with him had just been released. 'I told Christian that I wanted him to accept the position of headman in the Reserve. I told him further that I depended upon him to assist me to improve the condition of his people.' Mr. Hofmeyr then read out a letter to himself from Christian dated Windhoek Gaol, the 12th May, 1924, in which this offer was accepted. The measures taken, since the catastrophe, to assist the Bondelzwarts were detailed by Mr. Hofmeyr as follows :

(*a*) The entire Reserve has been restored to the tribe.

(*b*) All stock captured during the operations against the Bondelzwarts has been returned to them.

(*c*) No opportunity has been lost of offering work to the able-bodied, though considerable difficulty is experienced in this connection.

(*d*) The Administration continues to issue indigent rations where necessary, and free medical assistance is provided to paupers.

(*e*) Mission stations and schools are encouraged. A subsidy is actually being paid to five schools in the Reserve and subsidies are contemplated for two additional schools in the near future.

(*f*) A suitable Superintendent has already been appointed in succession to Mr. Noothout.

(*g*) Jacobus Christian and the other leaders, who were sentenced to long terms of imprisonment in connection with the rebellion, have been released, and Jacobus Christian had been appointed Headman of the tribe, and he is being paid a salary for acting in that capacity.[3]

It was clear, from incidental phrases in his statement, that Mr. Hofmeyr still contested the justice of the majority report of the South African Government Commission of Inquiry, but he had the moral courage to refer to the report of the Mandates Commission. 'Personally', he declared to the Commission, 'I think the resolution was very considerate and mild, having regard to the information available. Had I been a member of the Commission with the facts before me, I should probably have pressed for a stronger resolution.'

At Mr. Hofmeyr's request, the Commission invited him to be

[1] The words are Mr. Hofmeyr's.
[2] Printed in Doc. 9.
[3] *Ibid.*, p. 55.

present at its sittings when dealing with subjects unconnected with South-West Africa, or the Union of South Africa ; and, in thanking them for this courtesy, he paid the following remarkable tribute to their work :

> In South Africa we are not timid or nervous about any expression of opinion on the part of this Commission or anyone connected with the League on the work we are doing in South-West Africa. We look upon the Commission as a co-worker in connection with the important duties we have to perform in South-West Africa, and we welcome with the greatest respect any resolution of the Commission which is of a constructive character and which will help us to improve on the methods we are adopting in connection with the difficult work we have to perform.
>
> May I be permitted to make a few remarks as regards the discussions to which I have listened ? We in South Africa have realized for the last 250 or 300 years that great events in Europe have always directly affected us. The Commission is the child of the Great War, which has directly touched us. We took part in that and many of us have made substantial sacrifices. This morning, my mind went over the extent of that war and the state of Europe to-day. We in South Africa have sometimes felt despondent. We have sometimes wondered whether this great institution, to which the eyes of Mankind have turned for light and guidance in order to get away from the havoc wrought by the War, will be a success and will help us out. As the result of what I have seen here, I am filled with a new hope. A new avenue seems to be revealed by which we may escape from our old habits.[1]

Bibliographical Note

The preceding section is based on the following documents :

1. Report dated the 22nd June, 1922, on the Bondelzwarts rising, 1922, by Mr. C. R. Hofmeyr, the Administrator of South-West Africa, to the Government of the South African Union. (U. G. 30–22.)

2. Report dated the 19th March, 1923, by the Commission appointed on the 22nd July, 1922, by the Government of the South African Union to inquire into the Rebellion of the Bondelzwarts (U. G. 16–23). [N.B. The three members of this Commission—Mr. A. W. Roberts (Chairman), Dr. C. T. Loram, and General L. A. S. Lemmer—were all members of the Native Affairs Commission of the Union. The report was signed by all three members, but on many important points reservations were made and dissentient views expressed by General Lemmer.]

3. Memorandum, dated the 4th April, 1923, by the Administrator of South-West Africa on the Report of the Commission appointed to inquire into the Rebellion of the Bondelzwarts (U. G. Parliamentary Paper—unnumbered).

4. Minutes of the Third Session of the Permanent Mandates Commission held at Geneva from the 20th July to the 10th August, 1923 (L. of N. : A. 19, 1923, VI).

[1] Doc. 9, p. 42.

5. Annexes to No. 4 (L. of N. : A. 19 (Annexes), 1923, VI).

6. Questionnaire adopted by the Permanent Mandates Commission on the 27th July, 1923 (No. 5, 8*a*).

7. Memorandum on the Bondelzwarts Rising submitted to the Permanent Mandates Commission on the 2nd August, 1922, by Major Herbst, Secretary to the Administrator of South-West Africa (No. 5, 15). [This memorandum supplemented the oral statements made by Major Herbst before the Commission on the 31st July and the 1st and 7th August, 1923.]

8. Report on the Bondelzwarts Rebellion dated the 14th August, 1923, submitted by the Permanent Mandates Commission to the Council of the League of Nations and forwarded by the Council to the Assembly (No. 5, 8*b*, also printed as L. of N. : A. 47, 1923, VI and C. 522, 1923, VI).

9. Minutes of the Fourth Session of the Permanent Mandates Commission held at Geneva from the 24th June to the 8th July, 1924 (L. of N. : A. 13, 1924, VI).

10. Annexes to No. 9 (L. of N. : A. 13 (Annexes), 1924, VI).

11. General Report of the Permanent Mandates Commission to the Council of the League, dated the 16th July, 1924 (L. of N. : A. 15, 1924, VI).

12. Observations on No. 11, dated the 29th July, 1924, by Mr. C. R. Hofmeyr (L. of N. : A. 23, 1924, VI).

13. Proceedings in the High Court of South-West Africa in the matter of Rex *versus* Jacobus Christian (certified typescript copy of *procès-verbal*).

PART VI

THE FAR EAST AND THE PACIFIC

Introduction

The preceding parts of this survey have been concerned almost entirely with regions which still depended in various degrees upon Western Europe during the years 1920 to 1923, and with international relations in which at least one of the principal parties was a European Government.[1] Their contents are therefore primarily of interest to English-speaking students of international affairs whose home is in the British Isles, and any readers whom the book may find in the Dominions will perhaps be inclined to criticize the relative space and prominence which have been given to such European affairs as Reparation, Minorities, or the Little Entente—not to speak of boundary questions in Eastern Europe or in the African dependencies of West European Powers. At this stage however, where the survey passes altogether to the eastward of that arid and under-populated zone which traverses the Northern Hemisphere from the Atlantic fringes of the Sahara to the Pacific fringes of the Mongolian Desert in the neighbourhood of Peking, we enter a new world, in which the English-speaking peoples of the Dominions and the United States are at home, while European observers find it, at first sight, remote and unfamiliar.

From the European standpoint, one shore of the Pacific Ocean marks the ' Far Eastern ' and the other the ' Far Western ' horizon of a world which centres round the Atlantic, and when we cut the seamless surface of the globe in order to spread it on a map, we almost always make our incision from top to bottom of the Pacific, as though there were some great gulf here fixed which broke the continuity of international relations. Yet a glance at the map (No. 6) bound in at the end of this volume will show that, in the years 1920 to 1923, the Pacific was already the centre of international affairs in several important respects. In the first place, it was the ' centre of popula-

[1] The only notable exception being the relations between Russia and Turkey in Transcaucasia which have been dealt with in IV (iii) above.

tion ' upon which all the great and growing fields of density were converging with the single exception of Europe itself. Secondly, it was the focus of almost all the under-populated areas of temperate climate with large undeveloped resources into which the surplus population of the world would tend to flow—a feature which, taken in conjunction with the first, would have been enough in itself to make the Pacific a zone of political friction. Thirdly, all the English-speaking countries except the British Isles were ranged round the Pacific, so that their shortest communications with one another lay across its waters.[1] Finally, the Pacific was the inevitable theatre of competition (if there was to be competition) between the three surviving naval Powers of the first rank. The existence of the Suez and Panama canals provided direct access to the Pacific for the navies of Great Britain and the United States. The annihilation of the German navy, and the arrest in the naval development of France and Italy, which had resulted from the General War of 1914, had at least temporarily relaxed the naval tension in the Mediterranean and the Atlantic, while conversely the War had enabled Japan to take the final steps in achieving the rank of a first-class naval Power with its home-base in Pacific waters. Thus the Pacific had become the naval arena of the world, and, in an age when the world had been knit into a single society with the sea as its highway of communication, this meant that the next act in the interminable drama of international relations would be played on its waters and around its shores.

This fact, with its perils and opportunities, was realized imaginatively by American statesmanship and American public opinion at a time when the people of the United States were instinctively extricating themselves from their political commitments in Europe and were deliberately restricting the flow of European immigration to their own shores.[2] The fruit of this intuition was the Washington Conference, and the constructive work achieved at Washington was second only to that accomplished, during these four years, by the League of Nations. Any European reader who feels that

[1] The United States, Canada, New Zealand, and Australia were ranged round the principal basin of the Pacific, while South Africa faced Australia across the Indian Ocean, which might be regarded as an annex or bay of the Pacific in its widest sense. This geographical position involved South Africa —like these other English-speaking countries, and unlike Great Britain—in the problem of the congested regions of India and the Far East, whose crowded populations of non-European colour and physique were pressing to overflow into these underpopulated areas across the sea which the new English-speaking nations had claimed as their exclusive inheritance.

[2] See the *Survey of International Affairs for 1924.*

this statement is exaggerated should mark how the speech in which Mr. Charles Evans Hughes presented the United States proposal for a limitation of naval armament at the first plenary session of the Washington Conference on the 12th November, 1921, impressed so eminent and experienced a European statesmen as Mr. Balfour.

> I listened [Mr. Balfour afterwards declared] to a speech which I thought eloquent, appropriate, in every way a fitting prelude to the work of the Conference which was about to open or which indeed had been opened by the President, without supposing that anything very dramatic lay behind. And suddenly I became aware, as I suppose all present became aware, that they were assisting not merely at an eloquent and admirable speech, but at a great historical event. It was led up to with such art, the transition seemed so natural, that when the blow fell, when the speaker uttered the memorable words which have now gone round and found an echo in every quarter of the civilised world, it came as a shock of profound surprise ; it excited the sort of emotions we have when some wholly new event suddenly springs into view, and we felt that a new chapter in the history of world reconstruction had been worthily opened.[1]

Let the reader then study the speech which obtained this tribute from the head of the British delegation, and compare it with the speech delivered by the French Prime Minister, a few days later, at the Plenary Session of the 21st November.[2] M. Briand's theme was disarmament on land ; his argument was the utter impossibility for France to move farther in this direction ; his language was eloquent and impassioned ; and no one could have listened to the speech (or even have read it in print) without feeling the force of the orator's contention and the pathos of his country's position. With a tragic gesture France called halt ; there was a respectful pause ; and then the Conference—did not break up or adjourn, but went on its way as though nothing had happened ! The truth was that the road which M. Briand had barred was no longer a main thoroughfare. The land armaments of Europe, which until yesterday had governed the political destinies of the world, had dwindled overnight into a regional concern ; the destinies of the world now chiefly depended on the future of naval armaments in the Pacific ; and the problem of their limitation was discussed by the three great naval Powers of the world in a conclave to which France and Italy (both ' Principal Powers ' in Europe) were only admitted after the vital decisions had been taken.

[1] See *Conference on the Limitation of Armament held at Washington, November 12, 1921, to February 6, 1922 : Report of the Canadian Delegate*, p. 75.

[2] Text in French Yellow Book, *Documents diplomatiques : Conférence de Washington, juillet 1921–février 1922.*

Thus, while Europe had been preoccupied with the War of 1914, the Pacific and its shores had become a theatre of world affairs, and, in the first scene played on this stage under the new conditions, the leading role had been assumed by Japan. The little group of Japanese statesmen who had set out to Westernize their country half a century before had undoubtedly intended their internal policy to be a prelude to expansion abroad, yet they can scarcely have anticipated the extent of the opportunity which would be presented to Japan in 1914. The results of those first fifty years of systematic effort had indeed been impressive. In 1864, the political and economic independence of Japan was still as seriously imperilled as that of other non-Western countries by the expansion of the Western or already Westernized Powers. By 1914, Japan, single-handed, had defeated the Russian Empire, a Great Power which had entered on the path of Westernization nearly two centuries earlier than Japan herself ; she had acquired a colonial empire on the Asiatic mainland ; and she had thrown herself into the Industrial Revolution at home. Yet, though she had thus attained the status of a Great Power, she remained a Power with a limited interest and horizon. In the affairs of Western Europe and the regions dependent on it she had nothing to say ; even in the Pacific, where she possessed the immense advantage of geographical proximity to the principal centres of international interest, she was perhaps the weakest of the six Powers which formed the First China Consortium in 1912 ; [1] and her possibilities of industrial development (which might otherwise have helped to solve her urgent problem of over-population) were limited by the poverty of mineral resources in the territories under her political control. The failure of Japan, up to that time, to secure a paramount position among the Powers with interests in China was the most significant of these facts, for China filled the whole foreground of the Japanese outlook on the world, and was bound—for economic and strategic, if no longer for cultural, reasons —to be the first consideration in Japanese foreign policy. And then, quite suddenly, Japan was offered an opportunity for political and economic aggrandizement such as had not been granted to a Frederick the Great or a Philip of Macedon.

The War of 1914 brought one prize after another into the hands of the Japanese Government. As Russia's successor in the leased territory of Port Arthur and the Kwantung district in the Liaotung Peninsula (which would not revert to China, under the original

[1] See VI (iii) below.

Russo-Chinese Agreement of the 27th March, 1898, until the year 1923), Japan already held one of the strategic keys to the northern provinces of the Chinese Republic. Since 1911, China had been in the throes of a revolution from which she might not emerge for a generation, even if left to herself; and now the outbreak of war between Germany and Great Britain had placed within Japan's grasp the second strategic key to Northern China, consisting of the German leased territory of the Kiaochao [1] district in Shantung and the German Railway traversing that province from Tsingtao (the port of Kiaochao) to Tsinanfu (the provincial capital in the interior). Under the terms of the Anglo-Japanese Alliance of 1911, it was the duty of Japan to declare war on Germany, and she was able to seize her Far Eastern possessions with impunity, since the naval superiority of Great Britain rendered Germany impotent to reinforce her garrison in these distant outposts of her empire. With Tsingtao and Port Arthur both in her hands and the Shantung and South Manchurian Railways under her control, Japan held Peking in a vice; it seemed that she had only to wait, and Northern China would inevitably pass under her ascendancy; but the intensity of the struggle in Europe and the increasing strain which it was placing upon her European Allies encouraged her to grasp at the domination of China as a whole. This was the objective of the Twenty-One Demands which she presented to China on the 18th January, 1915, and that objective was partially attained in the Treaties and Exchanges of Notes which she forced upon the Chinese Government, on the 25th May, 1915, under the pressure of an ultimatum.[2] The European members of the Entente were not in a position to protest. On the contrary, before hostilities had ceased on the European battle-fields, Japan had extorted from each of these Powers [3] a secret undertaking in advance that in the peace settlement she should be invested with all Germany's rights in Shantung. Russia, moreover, who had previously been Japan's most formidable neighbour, went so far as to conclude a special entente with her on the 3rd July, 1916, under which she expressed her willingness to transfer to her a

[1] Containing the port of Tsingtao, which was better situated than any other harbour on the coast of the Shantung Peninsula as a base for the penetration of Northern China by a maritime Power.

[2] For the text of the Twenty-One Demands, with notes showing how much was conceded by China in the Treaties and Exchanges of Notes of the 25th May, 1915, see *H. P. C.*, vol. vi, Appendix IV, pp. 631–3.

[3] In return for removing her veto upon the intervention of China in the War, which the European Allies desired in order to obtain possession of German ships interned in Chinese ports and to eliminate German competition in the China trade. For the texts of these undertakings see *op. cit.*, pp. 634–6.

section of the Chinese Eastern Railway [1] in addition to the South Manchurian Railway which she had ceded after her defeat in 1905; and then, a few months later, the Romanov Empire suffered the fate which had overtaken the Manchu Empire in 1911. From Canton to the Amur and from Vladivostock to Lake Baikal, the whole mainland of the Far East was now without a master; Japan seemed the natural heir to this immense continental heritage, and at the same time she was stretching out her hands towards the Pacific. The former German possessions in the Pacific Archipelago north of the Equator were assigned to Japan by an understanding with the British Commonwealth,[2] and the United States dependency of the Philippines was thus threatened with encirclement by Japanese holdings.

The United States, as a Great Power directly interested in the Pacific whose energies had not been absorbed by the War, was alone in a position to intervene, and, since the autumn of 1914, her Government and people had been watching Japan's rapid aggrandizement with increasing anxiety. On the 13th May, 1915, in consequence of the Twenty-One Demands, the State Department sent an identic note to the Japanese and Chinese Governments, in which it declared that the United States

> could not recognize any agreement or undertaking which had been entered into or which might be entered into between the Governments of China and Japan impairing the Treaty rights of the United States and its citizens in China, the political or territorial integrity of the Republic of China, or the international policy relative to China commonly known as the Open Door Policy.

At that time, however, the United States was ill prepared for taking more active measures to protect her Far Eastern interests; and, although it was a condition of the Anglo-Japanese Alliance that Great Britain should not be involved in any conflict between Japan and the United States, Japan was at this moment a member of the Entente, and an attack upon any one of their number would have been an unfriendly act towards the others as long as they were co-belligerents in the European War. Japan was thus protected

[1] i. e. a section of the southern branch of the Chinese Eastern Railway (which connected with the South Manchurian Railway at Changchun) from Changchun as far northwards as the bridge over the Sungari. This transfer was never actually carried out either before or during the period under review.

[2] This was confirmed during the Paris Peace Conference at a meeting of the Supreme Council on the 7th May, 1919, when the former German islands north of the Equator were assigned under a mandate to Japan and those south of it to various members of the British Commonwealth (see *op. cit.*, p. 503).

by the War from her Allies and by her Allies from the United States ; the growing estrangement between the United States and Germany made the former Power more unwilling than ever to risk incurring commitments in other quarters ; and when she eventually became a belligerent she became almost as anxious as her European Associates to cultivate Japan's goodwill. The first consequence was an exchange of notes[1] between Mr. Lansing and Viscount Ishii, on the 2nd November, 1917, in which the representative of the United States recognized that Japan possessed ' special interests in China based on territorial propinquity ', though without prejudice to the integrity and independence of the Chinese Republic or to the principle of the ' Open Door '.[2] In August, 1918, when the two Powers intervened jointly in Eastern Siberia, the United States permitted her Ally to advance to the shores of Lake Baikal while she herself was content to remain at Vladivostock ; and, even after the Armistice, the same policy of complacency was continued during the Peace Conference in Paris, where President Wilson could not afford to have Japan against him in his battle for the establishment of the League of Nations. Accordingly, the secret pledges regarding the succession to Germany's rights and titles in Shantung, which Japan had obtained from her European Allies, were not only incorporated in Articles 156–8 of the Versailles Treaty but were endorsed by the signatures which the United States delegates to the Peace Conference appended to that document.

The signature of the Treaty at Versailles on the 28th June, 1919, marked the climax of Japan's fortunes during these years. As one of the ' Principal Allied and Associated Powers ' she had taken at least a nominal part in reshaping the destinies of Europe, the former focus of international affairs ; and at the same time, as the now predominant Power in the Far East, she had acquired a unique position in the field where the main currents of world politics seemed

[1] *Op. cit.*, pp. 637–8.

[2] That is, the principle of equality of commercial opportunity throughout Chinese territory for the nationals of all foreign Powers, which the United States Government had made a point of upholding from 1899 onwards, after special spheres of influence in China had begun to be acquired by other Foreign Governments. It is to be noted that, while the ' Open Door ' policy meant freedom for all foreigners to trade everywhere in China on equal terms, it did not mean fiscal freedom for the Chinese Government. As will be seen below (VI (iv) 4), it was not the policy of the United States, any more than of the other Powers concerned, to restore to China the tariff autonomy which she had surrendered by treaty and which would have put it in her power, had she recovered it, to close the door in the face of all comers, or at any rate not to leave it so wide open as it actually was.

likely to be focused in the not distant future. Besides this, she had greatly increased her capital and extended her markets, while the European Powers had emerged impoverished and economically disorganized from their fraticidal struggle. It was a brilliant moment—and then Fortune, who had showered all these gifts upon Japan, began to strip them from her as rapidly and unexpectedly as she had bestowed them. By the 6th February, 1922, when the Washington Treaties were signed, Japan's opportunity had unmistakably passed ; and the earthquake of the 1st September, 1923, which cost Japan over 100,000 lives and (at a rough estimate) some £500,000,000 worth of material wealth, was a superfluous stroke of cruelty, for by that time no further signs and portents were needed to demonstrate that Japan had incurred the Envy of the Gods.

No doubt this apparent caprice of Fortune at Japan's expense can be traced, on analysis, to a number of natural causes. In the first place, quite unsuspected powers of spontaneous resistance were displayed by the Chinese and the Russian peoples. When the great centralized systems of government built up by the Manchu and Romanov Dynasties collapsed, the populations which had lived under their shadow for generations seemed to be at the mercy of any organized foreign aggression ; and yet these populations—amorphous, politically inexperienced, and divided against themselves though they were—each succeeded first in stemming and then in turning back the tide of Japanese aggression. In their incoherent and blundering but persistent efforts, some imponderable national quality appeared by which Japanese imperialism was worsted.

Japanese publicists sometimes talked of establishing a Japanese Monroe Doctrine for the Far East, but if that was really the purpose of Japan at this time, her statesmen had failed to understand the policy inaugurated by President Monroe a century earlier, when the Latin countries of the American Continent had been left without a master by the breakdown of the Spanish Empire. Monroe and his successors were aware that the declaration of the 2nd December, 1823, amounted to a claim on the part of the United States to be the final arbiter in the international affairs of an entire continent, and they realized that the new American Republics and the European Powers would only acquiesce in such a claim upon one condition. They must be assured that it did not mask any aggressive designs. The two presuppositions of the policy therefore were that the United States should strictly abstain from interference either in the internal

affairs of the other American Republics or in the international affairs of the world beyond the Atlantic, and the Administration at Washington always showed itself reluctant to break either of these self-denying ordinances. Japan, however, had conspicuously neglected to cultivate the spirit of neighbourliness and non-aggression which had accounted for the success of the American policy, and the penalty for that mistake was the invincible hostility which she aroused among the continental peoples of the Far Eastern World.

The second cause of Japan's discomfiture was a vein of weakness in her own national life, for when her great opportunity was presented to her Japan herself was still in transition. Her imposing Western superstructure was built upon the sands ; her war-time prosperity was precarious ; and at the critical moment she seemed to lose that steadiness of nerve and sureness of touch which at earlier stages her statesmen had displayed to a marked degree, and which had sealed the success of other empire-builders. The extravagance of the Twenty-One Demands and the openness of the interference in the internal quarrels of Russian factions in the Far East not only aroused an intense national feeling in the Chinese and Russian peoples but produced a sharp division of opinion in Japan itself, and gave the other Pacific Powers, who were uneasy at Japan's progress, a moral status for intervention as soon as they were relieved from their absorbing commitments in Europe by the termination of the War.

The third factor which frustrated Japanese ambitions was the statesmanship of these Powers, for the diplomacy of the English-speaking peoples was strongest at precisely those points where that of Japan was weak. Step by step they manœuvred her out of what had seemed impregnable positions. The refusal of the Chinese Government to sign the Versailles Treaty was given significance by the refusal of the United States Congress to ratify it ; the resistance of the Far Eastern Republic to Japanese policy in Siberia was reinforced by discreet but vigorous reminders from the State Department to the Japanese Ministry of Foreign Affairs, regarding the identic declarations of July and August, 1918 ; the Anglo-Japanese Alliance was replaced by the Four-Power Treaty of the 13th December, 1921, which had as its corollary the Yap Treaty of the 11th February, 1922 ; the Twenty-One Demands were replaced by the new Consortium Agreement of the 15th October, 1920, and the Nine-Power Treaty regarding China of the 6th February, 1922 ; the Shantung Articles of the Versailles Treaty were replaced by

the Chinese-Japanese Treaty of the 4th February, 1922 ; and naval competition was replaced by the limitation of naval armaments. Yet all these movements were made with a courtesy and a good humour which deprived Japan of the slightest occasion to take offence or to precipitate a rupture. Adroitly and deferentially she was induced to play a distinguished part in undoing the work of her own hands.

The first half of this dramatic chapter in the history of the Far East and the Pacific falls outside the scope of the present volume.[1] The second half is the subject of this Part. Section (i) deals with a contest between Russia and China, the two ' under-dogs ' in the Far-Eastern World of this period, in a region so remote from the sea that it lay beyond the radius of Japanese action. The issue at stake—which was whether the under-populated and undeveloped prairies of Outer Mongolia should eventually become a field for Russian or for Chinese colonization—remained undecided at the close of the year 1923. Section (ii) is concerned with the entry and exit of the Japanese Expeditionary Force in Eastern Siberia ; Section (iii) with the formation of the new Consortium ; and Section (iv) with all the diplomatic relations which converged in the Washington Conference—except for the controversy between the United States and the Principal Allied Powers regarding mandates in the Pacific and the negotiation of the Yap Treaty of the 11th February, 1922, which have been recorded in the *History of the Peace Conference of Paris*.[2] The negotiations between the Chinese Central Government at Peking and the Soviet Government of Moscow, which opened on the 2nd September, 1922, but did not culminate until the spring of 1924, will be dealt with in the *Survey of International Affairs for 1924*, and the complicated problem of the Chinese Eastern Railway has been reserved for treatment in this connexion.

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[1] It has been dealt with to some extent in *H. P. C.*, vol. vi. Ch. IV, Part 2, but this does not cover the whole field.

[2] Vol. vi, Ch. VI, Part 4, Section 11.

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(i) Russia, China, and Outer Mongolia [1]

Since the seventeenth century, the whole region occupied by the nomadic Mongol tribes on the plateau of East Central Asia had been under the suzerainty of the Manchu Empire; but, for some time before the Chinese Revolution of 1911, there had been a noticeable divergence in development between Inner Mongolia—a long strip of territory adjoining the north-western borders of China proper—and Outer Mongolia, which was separated from Inner Mongolia and China by a belt of desert and was more closely connected geographically with the Russian dominions in Central and Eastern Siberia. While Inner Mongolia was being settled by Chinese agricultural colonists and assimilated administratively to the neighbouring Chinese provinces, Outer Mongolia was being drawn more and more within the political orbit of Russia, and this difference declared itself sharply as soon as the Chinese Revolution broke out. Whereas Inner Mongolia followed the fortunes of China, Outer Mongolia declared her independence on the 1st December, 1911, and signed an agreement with Russia at Urga on the 3rd November, 1912, under which Russia promised to assist in the maintenance of Mongolian autonomy, in return for the grant of additional privileges to Russian subjects on Mongolian territory. In an exchange of notes between

[1] See the *China Year Book 1924–5.*

the Russian and Chinese Governments on the 5th November, 1913, the autonomy of Outer Mongolia under Chinese suzerainty, within defined frontiers, was recognized by both parties ; and this agreement was afterwards embodied in a tripartite treaty, signed on the 7th June, 1915, at Kiakhta by the Governments of Russia, China, and Outer Mongolia, which secured the shadow of suzerainty to China and the substance of ascendency to Russia over the autonomous Outer Mongolian State.

After the Bolshevik Revolution in Russia and the termination of the General War of 1914, the Peking Government took steps to bring Outer Mongolia under its effective sovereignty again. From the spring of 1919 onwards, the Chinese military posts in the country were gradually strengthened ; on the 16th November, 1919, the Mongolian Government was compelled to renounce its autonomy ; and on the 1st December the territory was placed under Chinese military administration ; but China was soon paralysed by civil war ; her rule in Outer Mongolia was unpopular with the inhabitants ; and the country lay at the mercy of any organized force which might care to seize it. In the autumn of 1920 this no-man's-land attracted the attention of Baron Ungern-Sternberg, a lieutenant of the Transbaikalian Cossack Ataman Semenov,[1] who had been holding Chita in Eastern Siberia for the past two years with Japanese support. In October, 1920, when Semenov was driven out of Chita by the forces of the Far Eastern Republic and retreated south-eastwards, down the railway, towards the Manchurian frontier, Baron Ungern led his own followers south-westwards into Outer Mongolia. His first attack on Urga in October, 1920, was repulsed by the Chinese garrison,[2] but on the 1st to 3rd February, 1921, he drove the Chinese out of Urga—apparently with the assistance and support of the Mongol population—and proclaimed an independent Outer Mongolian Government under the sovereignty of the Living Buddha of Urga, with Ungern himself as supreme military adviser. Ungern's object was to use Mongolia as a base for fresh military operations against the Russian ' Reds ' in Siberia. In June, 1921, he attempted to invade Transbaikalia, but a ' Red ' Force met and defeated him

[1] See VI (ii) below.

[2] The Soviet Government at once retorted to Ungern's move by manufacturing a ' Red Government ' of Outer Mongolia in Transbaikalia, and on the 10th November, 1920, they informed the Peking Government that they had made preparations for driving Ungern out of Mongolia at the request of the Chinese authorities at Urga. On the 31st December, this alleged request from Urga was disavowed by Peking.

at Kiakhta, pushed on to Urga, and occupied the Mongolian capital on the 6th July. In a second raid down the valley of the Orkhon Ungern reached Seleginsk, but his plans were defeated by a revolt of his own troops—who had suffered almost as severely from his 'White Terror' as the 'Reds' themselves. He retreated into Outer Mongolia; his forces dispersed; and he fell into the hands of the Soviet authorities in August.[1] His atrocities had alienated the Mongols, and they submitted passively to the installation at Urga of the Mongolian 'Red Government' which the Soviet authorities had already organized on their own territory. The Living Buddha changed his colour and was rewarded by being allowed to retain his spiritual primacy, but he forfeited to the 'Red Government' his nominal sovereignty in the temporal sphere, and in July, 1921, that Government performed the function for which it had been created by petitioning the Soviet Government in Moscow not to withdraw its troops from Outer Mongolia for the time being.

Thus, in less than a year, the autonomous Mongols successively enjoyed the blessings of Chinese, 'White' Russian, and 'Red' Russian military rule; and the last of these three régimes was confirmed in a Treaty signed in Moscow on the 5th November, 1921, by the two 'Red' Governments of Moscow and Urga. By the terms of this instrument,[2] the two parties mutually recognized one another as the only legitimate Governments in the respective territories of Russia and Outer Mongolia (Art. 1); agreed severally to prevent these territories from being used as bases for hostile operations against the other party (Art. 2); reciprocally granted to one another the right to establish consulates (Art. 3); referred the delimitation of frontiers to one mixed commission (Art. 4) and the settlement of customs tariffs to another (Art. 6); and agreed that the nationals of either party in the other's territory should be subject to the laws of their own country both in civil and in criminal cases (Art. 5). The Moscow Government undertook to instal postal and telegraphic communications in Outer Mongolia free of charge (Art. 7), while the Urga Government undertook to cede the necessary land for Russian capital installations (Art. 8).

Notwithstanding the specious formulas of this Treaty, Outer

[1] He was afterwards executed at Novo-Nikolaievsk.

[2] Summary in *op. cit.*, p. 578. The Treaty appears not to have been made public until the spring of 1922. The Peking Government protested against it formally on the 1st May of that year.

Mongolia remained under Russian military occupation for the rest of the period with which the present volume is concerned ; Mongol demonstrations of discontent were suppressed by force ; and the Chinese colony in Outer Mongolia suffered still greater hardships than the native population. Their trade was paralysed by prohibitive taxation and rigorous passport regulations, and towards the close of 1922 there were wholesale expulsions of Chinese residents from Urga and other parts of the country.[1]

The situation of Outer Mongolia, during the period under review, found a parallel in some respects, and a strong contrast in others, in the situation of Tibet. The two countries possessed the same peculiar theocratic institutions (the Mongols had been converted to Lamaism by Tibetan missionaries about A. D. 1570) ; they had both been political dependencies of the Manchu Empire ; and at the same time Tibet had closer geographical connexions with British India than with China, as Outer Mongolia had with the Russian territories in Siberia. The international position of Tibet was still governed at this time by an Anglo-Chinese Convention signed at Peking on the 27th April, 1906 (which embodied the terms of an agreement made with the Dalai Lama during the British expedition to Lhassa in 1904, at a time when China had lost effective control over the country), and by an Anglo-Russian Agreement signed on the 31st August, 1907. In the latter, the two Powers recognized the suzerainty of China over Tibet and mutually undertook to deal with Tibet only through the channel of Peking, to send no representatives to Lhassa, to respect the territorial integrity of Tibet and to abstain from interference in her internal administration, to seek no commercial concessions in her territory, and to acquire no lien over her revenues. In 1910, the Chinese Government had succeeded in reoccupying Lhassa and driving out the Dalai Lama as the result of six years' military operations ; but, after the outbreak of the Chinese Revolution in 1911, the Tibetans had risen and besieged the Chinese garrison ; and in 1912, after a Chinese Expeditionary Force had failed to relieve it, China had made peace with Tibet and all the Chinese troops in the country had eventually been evacuated through British India, while the Dalai Lama had returned to Lhassa in January, 1913. Thereafter, negotiations had been opened between the representatives of the Lhassa and Peking

[1] For the discussion of the status of Outer Mongolia during the Russo-Chinese negotiations which began on the 2nd September, 1922, see the *Survey of International Affairs for 1924*.

Governments under British auspices, and in 1914 a draft convention had been initialed in which the boundary between Tibet and China was defined ; but this draft (which was a compromise between the claims of the two parties) had been repudiated by Peking, and since that date there had been desultory fighting along the border without any settlement being reached.

It is to be noted that while first the Imperial and then the Soviet Russian Government had taken advantage of the anarchy into which China had fallen since 1911 in order to bring Outer Mongolia under Russian military control, Great Britain had done nothing of the kind in Tibet, but had merely used her influence to promote a settlement between the Tibetans and the Chinese as far as lay in her power.

(ii) Foreign Intervention in Eastern Siberia [1]

Before the Bolshevik Revolution of 1917, the position of the Russian Empire in the Far East had been outwardly imposing. The Russo-Japanese Peace Treaty, signed at Portsmouth, U.S., on the 5th September, 1905, had arrested the further southward expansion of Russia in this region without trenching upon the foundations of the existing Russian dominion. The power of Russia in the Far East had been based on the Trans-Siberian Railway and the Chinese Eastern Railway—a line built by a Russian Company and controlled by the Russian Government which virtually formed a section of the Trans-Siberian Railway, although it traversed Chinese territory in Northern Manchuria in order to link the Russian port of Vladivostock in the Maritime Province with the rest of the Russian Empire by the shortest route. This trunk railway system had been left intact by the Portsmouth Treaty, which had only transferred to Japan the sovereignty over the southern half of the Island of Sakhalin, the Russian lease of the Chinese territory of Kwantung (including the Fortress of Port Arthur), and the Russian rights over the southern branch of the Chinese Eastern Railway from Port Arthur as far northward as Changchun.[2] The situation was not altered by the secret Russo-Japanese Treaty of the 3rd July, 1916, under which Russia expressed her willingness, as part of a general *rapprochement*

[1] See H. K. Norton : *The Far Eastern Republic of Siberia* (London, 1923, Allen & Unwin).

[2] The section of the southern branch of the Chinese Eastern Railway which was transferred to Japan in 1905 was known thereafter as the South Manchurian Railway.

between the two Powers, to cede to Japan her rights over a further section of the same branch from Changchun to the bridge over the River Sungari, since this provision remained a dead letter.[1]

Below the surface, however, the Russian position in the Far East had always been precarious on a long view. The Russian Empire, with its total pre-war population of 150,000,000, was in contact here with the 400,000,000 of China, the 56,000,000 of Japan, and the 17,000,000 of Korea; and the opening up of Eastern Siberia and Northern Manchuria by Russian enterprise had attracted a greater influx of population from the closer and vaster reservoirs of the Far East than from Russia herself. In the year 1917, the total population of Russian nationality east of the Urals was probably less than 9,500,000, whereas it was estimated that 20,000,000 Chinese agricultural colonists had settled in the former pasture-lands of Manchuria alone. Even these figures do not tell the whole story as regards the Far Eastern provinces under direct Russian sovereignty. In these provinces, the easy-going Russian administration had not checked the immigration of Far Eastern labourers and traders by the drastic measures which had been taken in the United States, Canada, or Australia, and on the other hand little had been done to reinforce the local Russian population. Of the 3,000,000 Russian peasants planted east of the Urals by government initiative between the years 1896 and 1909,[2] only 300,000 had been sent to the east of Lake Baikal; and consequently, while the Russian population of Western Siberia had almost doubled between 1897 and 1911—rising from 4,272,000 to over 8,000,000 in the course of those years—the total Russian population east of Lake Baikal was estimated, in the latter of these years, at hardly more than 1,200,000 in Russian territory and at less than 1,500,000 in all—even including the Russian element in the Manchurian railway-zone. These figures must be borne in mind in order to understand the position when, in 1917, Russia suddenly ceased for the time being to be a Great Power and the small and scattered Russian population in this remote appendage of the former Russian Empire was left to its own resources. It must further be remembered that, from the moment of the Revolution, the Russians of the Far East were divided against themselves. The autonomous Cossack communities of the Trans-

[1] See the introduction to this Part, pp. 422–3, above.

[2] During the period 1893–1912, the precise number of government colonists planted east of the Urals was 3,124,000.

baikal, the Amur, and the Ussuri took the extreme Counter-Revolutionary point of view, and their Atamans Semenov and Kalmykov began to operate as independent military powers from their respective head-quarters at Chita and Khabarovsk, while the rest of the country was captured first by the moderate Revolution and afterwards (though less completely) by the Bolshevik movement. This was the situation when the Allies decided to send troops into Eastern Siberia in the summer of 1918.

Before writing the history of this military intervention, it is necessary to make two points clear : first that the initiative did not come from Japan, where there was a strong anti-interventionist party from the beginning ; and secondly that the original motive was a military consideration connected with events in the distant theatre of the European War. After the signature of the Peace Treaty of Brest Litovsk, the Czechoslovak troops serving in the Russian Army [1] on the East European front had set out to reach Vladivostock by the Trans-Siberian Railway, in order to take ship thence to France and rejoin the Allies in the West. This adventurous Czechoslovak project had been brought to the knowledge of the Western Allies, and at the same time rumours had reached them that the retreat of the Czechoslovaks was being menaced by armed bodies of German, Austrian, and Magyar ex-prisoners of war, or even by the Soviet authorities acting in collusion with the Central Powers. The European Allies were genuinely afraid that German influence (and even German armies, which were already overrunning the Ukraine) might advance eastwards across Siberia. They wished to build up a Siberian front against this danger, and they also wanted to give Japan a more definite share in the War. The first nucleus of an Allied front against the German-Bolshevik menace was Semenov's force, and this was receiving assistance from Japan already, but the Japanese Government long hesitated to plunge into the indeterminate responsibilities of a Siberian campaign. The European Allies then realized that Japan would never move without a signal from America ; and President Wilson, after at first holding back, gave way—possibly to some extent under pressure from American railway experts who had conceived ambitious though rather nebulous projects for reopening the way into Russia across Siberia. In these circumstances, the retreat of the Czechoslovaks provided a useful pretext for intervention, and the dispatch of an

[1] They had been recruited from prisoners of war and deserters from the Austro-Hungarian Army.

Allied force to Vladivostock in order to cover their evacuation was therefore advocated by the Western Allies ; but it was evident that the bulk of the troops would have to be supplied by the United States and Japan ; and, since Japan was already suspect to Russians of almost all parties—and especially to the parties of the left on account of the support which she had been giving to the Cossack Atamans during the past year—it was decided that the diplomatic initiative should be taken by Washington.

Accordingly, in July, 1918, the United States Government published a declaration to the Russian people, announcing that, on the proposal of the United States, and with the previous approval of Great Britain, France, and Italy, the American and Japanese Governments had decided to send troops to Vladivostock in order to assist the Czechoslovaks. The announcement was accompanied by the assurance that the United States

> does not aim at infringement upon the political sovereignty of Russia, that it does not desire to interfere with her domestic affairs even within those limited areas which the American troops might be forced to occupy, and that it has no intention to encroach upon the integrity of Russian territory at the present time or in the future ; that the American Government aims exclusively at helping the Russian people in the manner most acceptable to them in their efforts to regain control of their own affairs, their territory and their destiny.

A few days later, the Japanese Government published a similar declaration containing the same assurances, with the specific undertaking that, 'after having accomplished the above task,' the Japanese Government 'would immediately withdraw its troops from Russian territory'.[1] It had been agreed among the Allies that the United States and Japan should each send 7,000 men.

The landing of these troops at Vladivostock took place on the 11th August, 1918 ;[2] but whereas the American contingent remained in the Maritime Province at their original strength, the Japanese contingent was reinforced by further troops who were transported from the Japanese possessions on the mainland by the southern branch of the Chinese Eastern Railway ; and the united Japanese

[1] The American declaration reached Vladivostock on the 5th August, 1918, and the Japanese a few days later. For texts of both documents see *A Short Outline of the History of the Far Eastern Republic* (published by the Special Delegation of the Far Eastern Republic to the U.S.A., Washington, D.C., 1922).

[2] Besides the Japanese and American contingents the Inter-Allied Expeditionary Force included 4,000 Canadians and a British, a French, and an Italian detachment ; but these appear all to have withdrawn by the end of the year 1919.

forces [1] proceeded to advance north-westward up the main line of the Chinese Eastern Railway (over which they established a military control) [2] until they had carried their front line into the Russian Province of Transbaikal on the borderline between Eastern and Western Siberia, where they found a friend and supporter in Ataman Semenov at Chita. On the 14th March, 1919, the Occupying Powers announced the establishment of an Inter-Allied Railway Committee consisting of their representatives at Vladivostock, which was to control the working of the railways in the zone of occupation and to maintain co-operation between the various American, Japanese, Russian, and Chinese authorities concerned.[3] By a decision of this committee, definite portions of the Siberian and Chinese Eastern Railway Systems were assigned to the Japanese to guard.[4]

Meanwhile, the Czechoslovaks had been lingering on their retreat in order to support the moderate ' White ' Russian movement which had been organized by Admiral Kolchak at Omsk on their line of march, and they even appear to have proposed that the Allied troops in Eastern Siberia should advance still farther westward and assist in an offensive movement against the Soviet Government of Moscow. The Allies refused, however, to be drawn into further commitments in this direction, and the prudence of their decision was shown by the sequel. In the autumn of 1919 the tide turned decisively in favour of the ' Reds ' in the Russian civil war ; on the 15th November the Kolchak Government (whose troops at one moment had penetrated to the west of the Ural Mountains) was forced by the advance of the Soviet forces to retreat from Omsk to Irkutsk ; and

[1] For statements of their total numbers at different dates see H. S. Quigley, ' The Far Eastern Republic : A Product of Intervention ' (*American Journal of International Law*, January, 1924, foot-note to p. 85). At the close of 1918, and again in the spring of 1920, the number of Japanese troops on Russian territory seems to have risen to 50,000, though the strength originally agreed upon for the Japanese and American contingents had been 7,000 each, and the Americans never exceeded 9,000.

[2] Apparently they claimed the right to do this in virtue of the Chinese-Japanese Military Agreement of the 16th May, 1918. The text of this agreement (which was believed to have been concluded by China under pressure) was not published till the 14th March, 1919. For its abrogation in January, 1921, see VI (iv) 3 below.

[3] The Inter-Allied Railway Committee appointed two subordinate bodies, the Military Transportation Board and the Inter-Allied Technical Board—the president of the latter being an American citizen, Mr. Stephens, while the other Powers concerned nominated one member each. The Military Transportation Board came to an end after the evacuation of the Czechoslovaks in 1920, the Inter-Allied Railway Committee on the 25th October, 1922, and the Technical Board on the 1st November, 1922.

[4] i. e. the Nikolsk Ussurisk–Yevgenievka, Guberovo–Karimskaya, Changchun–Harbin, and Manchuli–Verkhne Udinsk Sections.

in the last days of December it was overthrown, in this last refuge, by a local revolt on the part of the Social Revolutionaries. Admiral Kolchak's fate was sealed by the defection of the Czechoslovaks. As early as November 1919, General Gaida, commanding the Czechoslovak advance-guard which had at last reached Vladivostock, revolted (though unsuccessfully) against the local 'White' Russian dictator, General Rozanov. About the 30th December the main body opposed an attempt by Ataman Semenov, from Chita, to suppress the Social Revolutionary movement in Irkutsk; and soon afterwards they came to terms with the Irkutsk Social Revolutionaries—handing over to them the person of Admiral Kolchak (who had come into their hands) on the understanding that they should complete their evacuation unmolested.[1] Thereafter the Czechoslovaks passed to the east of Lake Baikal and the whole of Siberia to the west of it came under the direct authority of the Moscow Soviet Government.

In these circumstances the Commander of the American contingent at Vladivostock announced on the 8th January, 1920, to his Japanese colleague that his Government had ordered him to withdraw on account of the 'indefinite character' which the undertaking had assumed. The Japanese Government was thus confronted with the grave choice between parting company with its associate or evacuating Eastern Siberia simultaneously, and a sharp division of opinion at once declared itself in Japan between those who regarded the Siberian expedition as financially and politically unprofitable and those who were resolved to make the most of the opportunities which it appeared to offer. The latter party hoped to pick up concessions for Japan and to consolidate her commercial position in Eastern Siberia, and possibly to acquire control over the Chinese Eastern Railway. There were also dreams of territorial conquest, though these seem to have been confined to a small handful of militarists. Stronger motives were the desire to disarm or neutralize Vladivostock (the last foreign naval base in Far Eastern waters which directly threatened Japan after the expulsion of the Russians and the Germans respectively from Port Arthur and Tsingtao) and to prevent Bolshevik ideas, of which the Japanese governing class were mortally afraid, from spreading into the Far Eastern World—in the first instance among the disaffected subjects of Japan in Korea. Finally, the Japanese were anxious to show their independence of the United States. This combination of mixed motives prevailed.

[1] Kolchak was shot on the 7th February, 1920.

On the 22nd January it was announced that the Japanese Expeditionary Force was to be increased by half a division ; and thus, after the evacuation of the American troops from Vladivostock had been completed during March, 1920, and that of the Czechoslovaks during September, the Japanese Army of Occupation and the various Russian factions in the Far East were left face to face with one another.

In the meantime, the overthrow of Admiral Kolchak at Irkutsk and the extension of the Moscow Soviet Government's authority to the western shores of Lake Baikal had produced sympathetic though more moderate revolutionary movements in Eastern Siberia. On the 30th–31st January, 1920, the 'White' administration of General Rozanov at Vladivostock was successfully overthrown and replaced by a provisional Zemstvo Government, and in February similar revolutions occurred at Khabarovsk,[1] throughout the Amur District and in the Transbaikal. Semenov at Chita was the only counter-revolutionary leader who still held out in the Far East,[2] and he was now hemmed in by implacable enemies. He was also the only remaining friend of Japan, for the relations between the Japanese military authorities and the Russian revolutionaries had been hostile from the outset. At Vladivostock the Japanese had been prevented from intervening in Rozanov's favour by the presence of the American troops, who had not yet embarked, and in the Amur District they withdrew after the revolutionaries had proved successful ; but in March there was an armed conflict between the revolutionaries and a small Japanese detachment at the distant town of Nikolaievsk on the Lower Amur, which the Japanese Government had occupied partly in order to cover their occupation of the northern (Russian) half of the adjoining island of Sakhalin, where there were valuable coal and oil deposits, and partly, perhaps, because Nikolaievsk itself was a mining centre (chiefly for gold) and also commanded the mouth of the strategically important Amur River. The surviving Japanese soldiers at Nikolaievsk were taken prisoners. In reply to this the Japanese troops in the Maritime Province were further reinforced, and on the 4th–5th April, by a *coup de main*, they disarmed all Russian troops along the Ussuri Railway, from Vladivostock to Khabarovsk inclusive. On the 29th April they forced the Vladivostock Zemstvo Government

[1] Ataman Kalmykov was driven out on the 12th February and a Revolutionary Government proclaimed on the 15th.

[2] Except for General Horvath, who attempted to maintain administrative control of the Chinese Eastern Railway Zone in Manchuria. See *Survey of International Affairs for 1924.*

to sign an agreement banishing all Russian armed forces from the Ussuri Railway Zone and to a distance of thirty kilometres from the city of Vladivostock ; and from Khabarovsk they started operations (though with no great success) against the revolutionaries in the Amur District ; but this forward movement of the army was checked by the development of internal politics in Japan. The great ' slump ' had just set in after the spell of artificial prosperity which Japan had enjoyed on account of the European War, and the Prime Minister, Mr. Hara, was averse from further commitments on the Russian mainland. Accordingly, on the 11th May, the Japanese Commander-in-Chief, General Oi, published a conciliatory proclamation in which he reaffirmed the territorial disinterestedness of Japan, paid homage to the principle of non-interference in Russian internal affairs, and declared that Japan had no objection to the establishment of a united Far Eastern Republic organized on a democratic basis.

This proclamation might still not have been issued, notwithstanding the trend of internal politics in Japan, if a constructive movement for reuniting the Russian provinces of the Far East with one another and with the mother country had not already been started by an understanding between the Soviet Government in Moscow and the local revolutionaries in Western Transbaikalia. It might have been expected that, after the fall of Kolchak, the Soviet forces would have attempted to push on eastwards, suppressing all local movements, constitutional or reactionary, of a non-Bolshevik character, until they had asserted their authority up to the former frontiers of the Russian Empire. Such a policy, however, would have played into the hands of the Japanese, who doubtless would have obtained greater indulgence from other nations for any designs which they might harbour against the national heritage of Russia in the Far East if they had been enabled to assume the role of champions of ' bourgeois civilization ' against Bolshevism. In the minds of Bolsheviks and Social Revolutionaries alike, the common Russian national interest in this distant and exposed dominion of the former Russian Empire transcended party differences ; and accordingly the Bolsheviks, instead of attempting immediately to extend their own authority east of Lake Baikal, countenanced and encouraged (as a provisional necessity of foreign policy) the formation of an independent Federal Republic of the Far East on a non-communist basis, while on the other side the moderate revolutionaries of the Russian Far East welcomed the support of their Bolshevik fellow countrymen in Great Russia and Western Siberia in their struggle against Japan

and her henchman the Cossack Semenov at Chita.[1] Thus, after a direct proposal for peace negotiations, which Moscow addressed to the Japanese Government by wireless on the 24th February, 1920, had remained unanswered, an independent democratic Republic of the Far East was proclaimed by a constituent convention at Verkhne-Udinsk in Western Transbaikalia on the 6th April and was recognized by the Soviet Government of Moscow on the 14th May.[2] The new state claimed to include the territories of Transbaikalia, Amur, Maritime Province, Sakhalin, Kamchatka and the Right of Way of the Chinese Eastern Railway, and this claim was afterwards formally confirmed in an agreement with the Soviet Government of Moscow which was signed at Moscow on the 15th and at Chita on the 30th December, 1920.[3] By the proclamation of the 6th April, the Government was to 'represent the will of the whole people as expressed through its duly elected representatives', and citizens of foreign countries were guaranteed 'the full right of personal safety and property'.[4]

On the 25th May, 1920, the sovereignty of this new Far-Eastern Republic was acknowledged by the Revolutionary Government of the Amur, and on the 24th and 25th of the same month a conference was held between representatives of the Japanese Command and the Far Eastern Government, on the initiative of the latter, at the station of Gongotta on the Trans-Siberian Railway between Verkhne Udinsk and Chita. These negotiations broke down, however, over the question of Semenov, with whose Government at Chita the Far Eastern Government refused to parley, whereas the Japanese insisted that Semenov should be admitted to membership on

[1] This point of view was expressed explicitly in the preamble to a declaration of the Constituent Assembly of the Far Eastern Republic, dated April, 1921. 'Owing to the international situation and with a view to preventing the Far East from becoming a permanent base of warfare against Soviet Russia, the people of the Russian Far East have given up their sacred wish for an immediate reunion with their mother country, Russia, and have entered upon the course of establishing an independent sovereign republic on the territory of the Russian Far East.'

[2] Text of documents in *The Far Eastern Republic*, pp. 42–4.

[3] Between the Mongolian frontier and Lake Baikal the line ran between Seleginsk and Verkhne Udinsk. Between the northern end of Lake Baikal and the Sea of Okhotsk it followed the northern administrative boundaries of the Transbaikal, the Amur, and the Maritime Province, leaving Yakutsk and Kamchatka to Soviet Russia and reaching the Sea of Okhotsk at Cape Medjelnd (text in *op. cit.*, pp. 47–8).

[4] The proclamation of the 6th April, 1920, was amplified in a declaration of the Conference of the United Provinces of the Far East, dated the 9th November, 1920, and a declaration of the Constituent Assembly dated April, 1921 (texts in *op. cit.*, pp. 45 and 49).

a footing of equality in the proposed Far Eastern Federation, and at this point the situation was aggravated by an atrocity. After the disaster which had overtaken the Japanese detachment at Nikolaievsk in March, reinforcements had been dispatched by the Japanese Command ; but in May, when these forces were approaching the town, a local Russian revolutionary leader named Triapitzin ordered a massacre of all the Japanese prisoners, including not only the survivors of the original military detachment, but 800 civilians, many of them women and children. In June, when, after the reoccupation of Nikolaievsk, the details of this crime became known in Japan, the military party tried once again to rouse the country to a forward policy ; and an emotional and patriotic people like the Japanese might have been expected to respond to this appeal ; but by that time they were so weary of the whole Siberian enterprise, and in such a depressed and uncertain state of mind on account of the economic crisis at home, that the news made little impression. Meanwhile, after the breakdown of the Gongotta Conference, the Japanese Command had been putting pressure upon the various provincial governments of Eastern Siberia to discuss federation in a conference at Vladivostock under Japanese auspices ; but Semenov again proved a stumbling-block and on the 3rd July the Japanese Government announced their intention to evacuate the Transbaikal but to occupy Northern Sakhalin and Nikolaievsk as a pledge—pending satisfaction for the Nikolaievsk massacre.

After this, fresh negotiations were started at Gongotta, and this time they resulted in an agreement providing for the cessation of hostilities on all fronts. On the 17th–26th August the Japanese troops were actually withdrawn—not only from Semenov's country in Eastern Transbaikalia, but from the main line of the Chinese Eastern Railway as far as Harbin.[1] From that moment Semenov's days were numbered. He was driven out of Chita by the Far Eastern troops on the 20th October, 1920, and across the frontier into Manchuria on the 18th November.[2] On the 12th November, the sovereignty of the Far Eastern Republic was officially recognized by the Zemstvo Government of Vladivostock.[3] A General Election for the Constituent Assembly of the Republic was held on the

[1] Harbin was the junction of the branch connecting the Chinese Eastern Railway with the South Manchurian Railway and was also the principal city of North Manchuria.

[2] For the adventurès of his lieutenant Ungern-Sternberg in Mongolia see VI (i) above.

[3] *Op. cit.*, p. 46.

9th January, 1921, and the Assembly met at Chita on the 12th February.

In the Maritime Province, however, the position was still doubtful, for here the Japanese not only remained in effective military control, but had been invested with a certain moral authority by the consular corps at Vladivostock, who, on the 31st August, 1920, had formally placed their respective nationals under Japanese protection. The remnants of Semenov's partisans were able to rally inside the Japanese lines, and on the 26th to 27th May, 1921, they overthrew the representatives of the Far Eastern Republic in Vladivostock and set up a Counter-Revolutionary Government.[1] Outwardly the contest between Russian and Japanese nationalism in the Far East seemed to have reached stalemate, but two other contests were in progress behind the scenes—one between the interventionists and their opponents in Japan itself, and the other between the Japanese and United States Governments.[2] In the course of 'an extended diplomatic correspondence', the United States Government addressed a note [3] to Japan on the 31st May, 1921, in which it submitted that the continued occupation of strategic centres in Eastern Siberia 'tended rather to increase than to allay the disorder in that region'; questioned the validity in international law of the occupation of Nikolaievsk and Northern Sakhalin in reprisal for the Nikolaievsk massacre; reminded Japan of the assurances given to the Russian People in July and August 1918; and declared that:

> the Government of the United States can neither now nor hereafter recognize as valid any claims or titles arising out of the present occupation and control and it cannot acquiesce in any action taken by the Government of Japan which might impair existing treaty rights or the political or territorial integrity of Russia.

Under the pressure of this note and the shadow of the approaching Conference at Washington, the Japanese Government entered into negotiations with the Far Eastern Government for a commercial and a military agreement at Dairen on the 26th August, 1921; but, after dragging on for nearly eight months, the conference

[1] The Japanese military authorities maintained official neutrality during this revolution, but the Far Eastern Government freely accused them of assisting, if not instigating, the reactionary *coup d'état*.

[2] In April, 1921, the Far Eastern Constituent Assembly had addressed protests against the continuance of the Japanese occupation to the United States, Great Britain, and France as well as to the Japanese Government.

[3] The contents of this note were revealed by Mr. Hughes during the twenty-fourth and twenty-fifth meetings of the Committee on Pacific and Far Eastern Questions at the Washington Conference (23rd and 24th January, 1922).

finally broke down on the 16th April, 1922, because the Japanese insisted that the commercial agreement should be signed before the date and terms of evacuation (to be incorporated in the military agreement) were settled, whereas the Far Eastern representatives insisted that the two instruments should be signed concurrently. Meanwhile the Washington Conference had met on the 12th November, 1921; an unofficial delegation from the Far Eastern Republic had made a sensation by publishing the alleged texts of secret agreements between Japan and France [1] and Japan and Semenov; and the continuance of the Japanese occupation had been frankly discussed in the Pacific and Far Eastern Committee of the Conference on the 23rd and 24th January, 1922. In a statement made on this occasion, the Japanese representative defended the continued presence of Japanese troops at Vladivostock on the plea of protecting the local Japanese residents and policing the adjacent Korean frontier, and at Nikolaievsk and in Northern Sakhalin as a reprisal for the massacre of the Japanese prisoners; but he repeated and emphasized the original assurances of August 1918, and foreshadowed a complete and early withdrawal from both areas, without 'taking advantage of the present helpless condition of Russia for prosecuting selfish designs'. In reply, Mr. Hughes took explicit note of this fresh declaration and incidentally made public the terms of the American note of the previous 31st May, which has been mentioned above.

Consequently, notwithstanding the breakdown of the Dairen Conference on the 16th April, 1922, the Japanese Government announced on the 1st July that all Japanese troops would be withdrawn from the Maritime Province by the following 1st November, and this order, which was afterwards extended to cover Nikolaievsk but not Northern Sakhalin, was communicated to the Far Eastern Government in a note of the 19th July, suggesting a resumption of negotiations and declaring that Japan would not object to the participation of Soviet Russia. Accordingly a fresh conference was opened at Changchun (the last station on the South Manchurian Railway at its point of junction with the southern branch of the Chinese Eastern Railway) on the 4th September, 1922, in which the Far Eastern Republic and the Soviet Government of Moscow

[1] Some of the remnants of Wrangel's Army, which had arrived at Constantinople from the Crimea in December, 1920, had afterwards been shipped by the French Government to Vladivostock and had been permitted by the Japanese to pass through their lines and to attack the Far Eastern forces at Khabarovsk during the winter months of 1921–2.

were represented on the one side and Japan on the other.[1] On the Russian side M. Joffe, representing Moscow, took the lead over M. Janson, representing the Government of the Far East, and he conducted the negotiations throughout from an All-Russian point of view. His ultimate aim was to conclude a general trade agreement between Japan and the Union of Socialist Soviet Republics, which would have involved Japanese recognition ; but the Japanese negotiators insisted on confining the scope of the conference to Far Eastern affairs, and on the 25th September the negotiations broke down over the three questions of the evacuation of Northern Sakhalin,[2] the payment for the fishing rights which the Japanese were exercising off the coasts of Kamchatka and Okhotsk,[3] and the disposal of the great stocks of arms and munitions which lay at Vladivostock under Japanese control.[4] Nevertheless, Nikolaievsk was duly evacuated by the Japanese on the 27th September and the Maritime Province on the 25th October ; the 'White' Government immediately collapsed ; its partisans fled the country ; and the troops of the Far Eastern Republic took possession of Vladivostock and the military stores.[5] Therewith, all the Far Eastern dominions of the former Russian Empire, with the single exception of Northern Sakhalin, had come again under Russian government.

Having thus accomplished the task for which it had been called into existence on the 6th April, 1920, the Government of the Far Eastern Republic went into voluntary dissolution on the 14th November, 1922, and its territories were merged in the direct

[1] There was no representative of the 'White' Government which had been in power at Vladivostock since the 27th May, 1921.

[2] The Russians insisted that the evacuation must precede, and the Japanese that it must be preceded by, a settlement of the indemnity payable to Japan for the massacre at Nikolaievsk.

[3] These rights had been secured to Japanese fishermen in 1905 by the Peace Treaty of Portsmouth, U.S. (Art. 11), and the details had been arranged in a Russo-Japanese Convention of the 28th July, 1907, which had been renewed in a modified form with the Kolchak Government in 1919 ; but the Japanese had progressively taken control of the entire fisheries, and had suspended payment for the fishing rights since the 4th April, 1922.

[4] These stores had been imported during the General War by the Western Allies for the service of the Russian front in Eastern Europe.

[5] The breakdown of the Changchun Conference and the evacuation of the Maritime Province and Nikolaievsk gave occasion for a violent press campaign in Japan, in which the interventionists were attacked by their opponents on all fronts, but particularly in regard to the improper disposal of some of the Vladivostock military stores. It transpired that nineteen truckloads of these stores had found their way from Vladivostock to Mukden, where they had passed into the possession of Chang Tso-lin, the Chinese military dictator of the three Manchurian provinces. This revelation was followed by the trial and condemnation of a Japanese officer (of the rank of major) to whom the responsibility for this transaction was charged.

dominions of the Socialist Federal Soviet Republic of Great Russia. After their experiences of the last five years, the 1,500,000 Russians of the Far East had retained little taste for that autonomy which it was the policy of Moscow to confer, in name at least, upon such small and backward non-Russian peoples as the Buriats and the Yakuts.[1] Without the support of Great Russia in the background, the Far Eastern Russians would hardly have survived the crisis from which they had just emerged, and differences of party colour, which appeared irreconcilable in Moscow, were effaced in the atmosphere of the Far East by the racial issue. The reunion of the 14th November, 1922, was an indication that this political fact had been appreciated by the Russian nation as a whole.

(iii) The Formation of the Four-Power-Group Consortium for Foreign Loans to China [2]

The project for a consortium had emerged out of the international struggle for concessions and spheres of influence of which China had been the theatre during the last years of the nineteenth century and the opening years of the twentieth, and it had first been fully realized in the Six-Power Agreement of the 18th June, 1912, between Great Britain, France, Germany, Russia, Japan, and the United States.[3] Its realization had involved four distinct steps. First, a representative group had been formed in each country among the private banking concerns of good standing which were interested in floating Chinese loans on their respective money markets; secondly, each of these groups had obtained from its own Government a guarantee of special, if not exclusive, diplomatic support in doing business with the Chinese Government and in competing with other firms of the same nationality which had not been included in the group; thirdly, each national group had agreed with the

[1] Within the framework of the Russian Socialist Federal Soviet Republic (the leading member in the Union of Socialist Soviet Republics) an autonomous Buriat-Mongol Region was created on the 9th January, 1922, and an autonomous Yakutsk Republic on the 27th April, 1922.

[2] See British White Paper, *Correspondence respecting the new Financial Consortium in China* (*Cmd.* 1214 of 1921).

[3] The Six-Power-Group Agreement of the 18th June, 1912, was the last stage in a process which had begun with the formation of an Anglo-Franco-German group on the 6th July, 1909. This original Three-Power Group had been joined by the Americans on the 10th November, 1910. The Russians and the Japanese were thus the last of the foreign nations concerned to accept the consortium policy in China.

corresponding groups in the other countries to pool all financial openings in China and to share them in agreed proportions; and, fourthly, the Governments themselves had severally approved the business agreement between their respective national groups. The consortium thus constructed had rested on the two bases of co-operation and monopoly; and while the co-operative side had appealed to most of the Governments (who were anxious that private financial competition in China should not give rise to political complications) and to the larger banking concerns (who preferred secure but limited profits under a trust system to unlimited competition), it was resented by the Chinese Government (who felt that their financial freedom had been restricted by an arrangement in which they had not been consulted) and by the private banking, commercial, and industrial interests in each country which had been left outside their respective national groups.

The Chinese Government were soon given countenance by the American group, who withdrew from the First Consortium on the 30th June, 1913, on the ground that its policy was proving inconsistent with the principle of the 'Open Door'.[1] The scope of the Consortium was also restricted on the 26th September, 1913, by an arrangement between the remaining five groups that the Six-Power Agreement should no longer apply to industrial and railway loans in China, but only to administrative loans for the Chinese Government;[2] and after the outbreak of the War of 1914 the First Consortium virtually lapsed with the division of its members into two hostile camps, the diversion of the world's capital and productive energy from previous fields of investment to war purposes, and the political and economic breakdown of Russia. In these circumstances, the suspension of co-operation did not revive the previous 'battle of concessions' but simply left a free field in China for Japanese ambitions. The use which Japan made of her opportunity has been described in the *History of the Peace Conference of Paris*[3] and has been touched upon in the introduction to the present Part of this volume. One of the results was that the

[1] The Reorganization Loan was the particular transaction in which President Wilson's Government objected to American participation. The American group in the First Consortium had previously taken a share in the Hukuang Railway Loan.

[2] This change was made at the instance of the Japanese Government (which believed that Japanese interests would be furthered by freer competition) and of the private British interests which had not been included in the British group (see *Cmd.* 1214 of 1921, No. 2).

[3] Vol. vi, Ch. IV, Part 2, §§ 4 and 5.

Americans, who had been the first to withdraw from the original Consortium, took the initiative in forming a new one.

On the 8th July, 1918, a group of American bankers proposed to the State Department, on the suggestion of the latter, that a new China Consortium should be formed on a Four-Power-Group basis (to include the United States, Japan, Great Britain, and France) and on the 9th July this proposal was approved by the State Department, with the proviso that the United States Government would be opposed to any terms or conditions of a loan which sought to impair the political control of China, or lessened the sovereign rights of that republic. On the 6th August this correspondence, which had been communicated to the British Ambassador in Washington, was brought to the knowledge of the British Government, and on the 14th August they informed the American Ambassador in London that they welcomed the project in general, while requesting the elucidation of certain points. These points were dealt with in a memorandum from the United States Government, received on the 25th October, explaining that the new Consortium was not intended to be a continuation of the old one, and advocating the inclusion of industrial as well as administrative loans in the new arrangement.[1] As a means to that end, it was suggested that the interested Governments should, by common consent, endeavour so to broaden the membership in the newly formed national groups that all financial firms of good standing interested in such loans might be included in the respective groups and that they should withhold their support from independent financial operations without previous agreement of the interested Governments. On the 24th February, 1919, the United States Government took a further step by suggesting that direct negotiations should be opened between the four financial groups—subject to approval of their conclusions by the four Governments.

The United States Government and the American financial group were already in agreement with one another, but the other Governments had still to come to terms with their respective financial groups, and their several negotiations with them were conducted simultaneously with those between the groups themselves. At an inter-group meeting held in Paris on the 11th and 12th May,

[1] This was, of course, contrary to the agreement of the 26th September, 1913, to which the American group in the original Consortium had subsequently adhered, but this adhesion was explained by the fact that the American group had already withdrawn in practice from the Consortium before that date.

1919, a draft agreement, satisfactory to the groups themselves, was adopted and submitted for the approval of the respective Governments; but the British Government, which had failed in the meantime to induce the representatives of the British group in the original Consortium to widen their membership sufficiently to satisfy the British Government's requirements, took exception [1] to a statement in the preamble of the draft that the groups were 'entitled to the exclusive diplomatic support of their respective Governments', and the French Government adopted the same attitude.[2] This difficulty, however, was overcome by a new suggestion [3] of the United States Government to the effect that the several Governments should pledge their 'complete support' to their 'respective' groups in operations undertaken pursuant to the agreements of the 11th–12th May, and their 'collective support to the Consortium' 'in the event of competition in the obtaining of any specific loan contract'. This modified formula was accepted by both the British Government and the British group,[4] and on the 22nd July, 1919, the representatives of the latter requested the other three groups to obtain confirmation from their respective Governments of the minutes of the Inter-Group Conference of the 11th–12th May, as amended by the introduction of the new formula.

Therewith the outstanding difficulties between national groups and their respective Governments were removed, but this only prepared the way for a more serious controversy between the Japanese group and Government on the one side and the other three groups and Governments on the other. On the 18th June, 1919, the Japanese group had demanded [5] that 'all the rights and options held by Japan in the regions of Manchuria and Mongolia where Japan had special interests should be excluded from the arrangements for pooling provided for in the proposed agreement; [6]

[1] In a letter of the 28th May, 1919.

[2] The French view was communicated to the British Government in a note of the 20th June, 1919.

[3] Submitted in a note of the 8th July, 1919, from the United States Ambassador in London.

[4] In a note of the 17th July, 1919, to the United States Ambassador, and in a letter of the 24th July, 1919, to the Foreign Office respectively.

[5] In a letter addressed to the representative of the American group, Mr. T. W. Lamont. On the 23rd June Mr. Lamont informed the representative of the Japanese group that the American, British, and French groups did not accept this Japanese demand, and that they were referring the matter to their respective Governments.

[6] This was justified on two grounds: first, a reservation of 'the special rights and interests of Japan in the regions of South Manchuria and of the eastern portion of Inner Mongolia adjacent to South Manchuria' (i. e. the

and although the British Government protested to the Japanese Government against this reservation and 'requested them to direct the Japanese group to modify their attitude',[1] the Japanese Government, when it eventually confirmed the minutes of the Inter-Group Conference of the 11th–12th May, 1919, expressly stipulated, on its own account, that the acceptance and confirmation of the said resolutions should not be held or construed to operate to the prejudice of the special rights and interests possessed by Japan in Southern Manchuria and Eastern Inner Mongolia.[2] A long and stubborn diplomatic struggle followed.

In a memorandum of the 20th November, 1919, the British Government requested the Japanese Government to modify its attitude as regards both Southern Manchuria and Inner Mongolia and to authorize the Japanese group to enter the new Consortium without any special reservations. 'Such a claim', it declared, 'as is put forward by the Japanese Government in regard to Eastern Inner Mongolia, amounting to the reservation of an exclusive interest in a large area whose southern boundaries practically envelop Peking and encroach upon the province of Chihli, cannot be reconciled with the maintenance of the independence and territorial integrity of China which Japan has so often pledged herself to observe.' Against this attack the Japanese Government defended its reservations in a memorandum of the 16th March, 1920, on the ground that the two territories in question were contiguous to the Japanese dominions in Korea, and that they were also the gate by which 'the unwholesome influence' exercised by 'the recent development of the Russian situation' might penetrate not only Japan but the Far East in general. In conclusion, the note offered

fertile portion to the east of the Khingan Mountains) which the Japanese group had made at an Inter-Group Conference of the First Consortium on the 18th June, 1912; and, secondly, the 'territorial propinquity' formula in the Lansing-Ishii Agreement of the 2nd November, 1917. (See *H. P. C.*, vol. vi, Ch. IV, Part 2, § 5.) Japan's strongest motive, however, for attempting to exclude Eastern Inner Mongolia and Southern Manchuria from the sphere of the Consortium was her unwillingness to abandon the fruits of the Chinese-Japanese Treaties and exchanges of Notes of the 25th May, 1915, embodying as much of the 'Twenty-One Demands' as Japan had been able to impose upon China. Group II of the Demands, which was embodied in the instruments of the 25th May, 1915, with little modification, was calculated to give Japan complete military, political, financial, and economic control over Eastern Inner Mongolia and Southern Manchuria in perpetuity. For the subsequent history of the 'Twenty-One Demands' see VI (iv) 3 below.

[1] In a memorandum communicated on the 11th August, 1919, to the Japanese Ambassador in London.

[2] Memorandum communicated by the Japanese Ambassador in London on the 1st September, 1919.

a somewhat vaguer formula for the Japanese reservation, but appended a list of the railways to be excluded from the scope of the Consortium which showed that in practice no abatement of the original demand was intended. Consequently the Japanese formula was pronounced unacceptable both by the United States Government (to whom it had been submitted a few days earlier) in a memorandum of the 16th March, 1920, and by the British Government in a memorandum of the 19th. Both Governments maintained their objection to any specific differentiation of status between Southern Manchuria or Eastern Inner Mongolia and other Chinese territory, and they contested the Japanese view that the construction and control of lines to the west of the South Manchurian Railway [1] was essential to Japan's strategic security. As an alternative to the exclusion of specific areas from the sphere of the Consortium they offered formal assurances that the Consortium would not undertake any operations prejudicial to the economic life and national defence of Japan and that in any case such operations would not be countenanced by the other three Governments concerned.[2] These offers, as formulated in the British memorandum, were accepted by the Japanese Government in a memorandum of the 14th April, 1920, in which it consented, in return, to abandon its demand for the specific exclusion of Southern Manchuria and Eastern Inner Mongolia and agreed that, on certain conditions,[3] the construction of railways west of the South Manchurian line should be pooled. When, on the 28th April, 1920, the British Government raised objections to these conditions, they were explained away (though not explicitly withdrawn) by the Japanese Government on the 10th May and thus the way was cleared for at least a verbal settlement.

The precise terms of this settlement were already being discussed by Mr. Lamont and the Japanese group in Tokio, and in an exchange of letters on the 11th May, 1920, the Japanese group formally withdrew their reservation of the 18th June, 1919, and accepted the draft agreements of the previous 11th–12th May as they stood,

[1] The projected lines in question were those from Changchun and Ssupingkai respectively to Taonanfu and that from Taonanfu to Jehol.

[2] The French Government associated itself with the assurances of the United States Government in a note of the 25th May.

[3] The Japanese Government was to have a veto on the extension of the Taonanfu–Jehol Railway northwards to connect with the Chinese Eastern Railway, and the Japanese group was to have a free hand to construct the lines connecting the Taonanfu–Jehol Railway with the coast if the other groups were unwilling to participate in financing this enterprise within a reasonable time.

while the American group, acting for all the other parties, set out, in agreement with the Japanese, the specific railway enterprises in Manchuria and Mongolia which were respectively to be included in and excluded from the scope of the Consortium's activities.[1] On the 29th June, 1920, the Japanese group, with the approval of the Japanese Government, confirmed the minutes of the Inter-Group Conference of the 11th–12th May, 1919, as modified by the American formula of the 8th July regarding the relations between groups and Governments; and on the 28th September, 1920, the representatives at Peking of the four Powers made a communication to the Chinese Government 'on the proposed scope and objects of the so-called new consortium', with which they inclosed a selection from the preceding diplomatic correspondence. The final text of the agreement between the four groups was signed in New York on the 15th October, 1920, approved by the four Governments, and eventually communicated by the Consortium to the Chinese Ministries of Finance and Communications.

The laborious diplomatic activities which have been described above did not bear any immediate fruit in the financial and economic field. Throughout the period covered by this volume, the political condition of China was too chaotic, the attitude of the Chinese Government or Governments and of Chinese public opinion too hostile, and the policy of the Consortium itself too cautious, for any appreciable progress to be made in the work which the Consortium had been created to perform. In a report [2] adopted on the 28th May, 1923, in a conference at Paris, the Consortium Council defended themselves with much ability against the accusations of rapacity and ineffectiveness which were levelled at them simultaneously by their critics in opposite camps. In spite or perhaps because of

[1] The relevant passage in the letter written by the American group ran as follows:

> Inasmuch as some questions have arisen during our discussions as to the status of specific railway enterprises contemplated or actually begun in Manchuria and Mongolia, we hereby confirm that we have agreed with you as follows:
>
> 1. That the South Manchurian Railway and its present branches, together with the mines which are subsidiary to the railway, do not come within the scope of the consortium.
> 2. That the projected Taonanfu–Jehol Railway and the projected railway connecting a point on the Taonanfu–Jehol Railway with a seaport are to be included within the terms of the consortium agreement.
> 3. That the Kirin–Huining, the Chengchiatun–Taonanfu, the Changchun–Taonanfu, the Kaiyuan–Kirin via Hailung, the Kirin–Changchun, the Sinminfu–Mukden and the Ssupingkai–Chengchiatun railways are outside the scope of the joint activities of the consortium.

[2] Text in *China Year Book, 1924–5*, pp. 809–11.

its Fabian tactics, the Consortium seemed destined eventually to have an important and probably beneficent financial role to play; but a political consequence of the utmost moment had already flowed from the negotiations out of which the Consortium had arisen. A western limit had been set to the progress of Japanese economic penetration on the Asiatic mainland in the sector between the Gulf of Chihli and the Mongolian Desert.

(iv) The Washington Conference

1. Introductory Note

On the 11th August, 1921, the United States formally invited the Four Principal Allied Powers 'to participate in a conference on the limitation of armaments, in connexion with which Pacific and Far-Eastern questions would also be discussed'. The relationship between these two sides of the Conference is clearly explained in the general summary concluding the report which the American delegation submitted on the 9th February, 1922, to the President of the United States.

> The declared object was, in its naval aspect, to stop the race of competitive building of warships which was in process and which was so distressingly like the competition that immediately preceded the war of 1914. Competitive armament, however, is the result of a state of mind in which a national expectation of attack by some other country causes preparation to meet the attack. To stop competition it is necessary to deal with the state of mind from which it results. A belief in the pacific intentions of other Powers must be substituted for suspicion and apprehension.
>
> The negotiations which led to the Four-Power Treaty were the process of attaining that new state of mind and the Four-Power Treaty itself was the expression of a new state of mind. It terminated the Anglo-Japanese alliance and substituted friendly conference in place of war as the first reaction from any controversies which might arise in the region of the Pacific; it would not have been possible except as part of a plan including a limitation and a reduction of naval armaments, but that limitation and reduction would not have been possible without the new relations established by the Four-Power Treaty or something equivalent to it.
>
> The new relations declared in the Four-Power Treaty could not, however, inspire confidence or be reasonably assured of continuance without a specific understanding as to the relations of the Powers to China. Such an understanding had two aspects. One related to securing fairer treatment of China, and the other related to the competition for trade and industrial advantages in China between the outside Powers.

China, in fact, was the stake for which the game of naval competition in the Pacific was being played. In order to stop the game, the stake must be removed from the table ; and conversely, in order to save the stake from seizure, the game must be stopped. The two parts of the Conference had therefore to be conducted simultaneously if either set of negotiations was to be carried through with success, and they were so closely inter-dependent that it matters little in which order they are taken. In the present section, the Far Eastern negotiations have been placed first, because they were closely connected with the other Far Eastern questions with which the preceding sections have been concerned. The Four-Power Treaty, which is dealt with next, extends the horizon from the Far East to the Pacific ; while the Treaty for the Limitation of Naval Armaments, which is dealt with last of all, illustrates the way in which the problem of the Far East and the Pacific had become the central problem of international affairs.

The negotiations were distinguished in detail by differences of procedure and participation. The separate conversations between the Chinese and Japanese representatives, under the joint auspices of Mr. Hughes and Mr. Balfour, which resulted in the bipartite Treaty of the 4th February, 1922, regarding Shantung, were technically outside the Conference altogether, though they vitally influenced the course of the Conference, which would almost certainly have broken down if no settlement of this particular question had been reached. The Twenty-One Japanese Demands of the 18th January, 1915, and the diplomatic instruments which had resulted from them, were dealt with in three separate statements by representatives of Japan, China, and the United States, which were placed upon the records of the Conference. The problem of Eastern Siberia was handled in a similar manner.[1] The remaining problems of China were disposed of in two Treaties signed by nine Powers (including not only the five Great Powers, but China herself, together with the Netherlands and Portugal, who both possessed territory in the Pacific area, as well as Belgium) and in a series of resolutions adopted by the Plenary Conference. ' The scope of action by the Conference in dealing with Chinese affairs was much limited by the disturbed conditions of government in China which have existed since the revolution of 1911, and which still exist and which render effective

[1] See VI (ii) above, where the Japanese and American statements at the Washington Conference in regard to Eastern Siberia have been dealt with by anticipation.

action by that government exceedingly difficult and in some directions impracticable. In every case the action of the Conference was taken with primary reference to giving the greatest help possible to the Chinese people in developing a stable and effective government really representative of the people of China.' [1] The Anglo-Japanese Alliance was superseded by a Quadruple Treaty between Great Britain, Japan, the United States, and France, the four surviving Great Powers with interests in the Pacific. The Yap Treaty was the result of a separate negotiation between the United States and Japan.[2] The two Treaties for the Limitation of Naval Armaments and for the restraint of abuses in the conduct of war were signed by all the five Great Powers, including Italy.

It is significant that out of the five members of the British Commonwealth which had been admitted to separate Membership in the League of Nations, four—namely, Canada, Australia, New Zealand, and India—were specially represented at the Washington Conference by delegates of their own.[3] The position of these Dominion representatives in the British Empire delegation, and the internal procedure of that body, followed the precedents which had been worked out at the Peace Conference of Paris and at the two intervening sessions of the League of Nations Assembly. The delegates of the Dominions took part in the Conference as representing a single state, the British Empire, and at the plenary sessions Mr. A. J. Balfour (afterwards Lord Balfour), as chief delegate, spoke for all of them. At the committees the three chief United Kingdom delegates and each of the Dominion delegates were present ; but, here too, they jointly represented the British Empire, and each and all of them signed on behalf of the British Empire the Treaties in which the Conference resulted. This time, however, there was one important practical difference in the situation. At Paris and Geneva the United Kingdom was more closely concerned than other members of the British Commonwealth in most of the negotiations. At Washington, on the other hand, those members of the Common-

[1] *Report of the American Delegation* (Senate Document No. 125 of 1922), General Summary, p. 88.

[2] This is omitted here, since it has been dealt with in *H. P. C.*, vol. vi, Chap. VI, Part 4, § 11.

[3] The Government of the South African Union was also invited by the British Government to send its own special representative to join the British Empire delegation, but General Smuts did not consider that the local interests of South Africa were sufficiently concerned to make it necessary for him to avail himself of this offer. South Africa was therefore specifically represented by Mr. Balfour, who acted in a double capacity, both as representing the United Kingdom and as representing South Africa.

wealth which bordered on the Pacific had perhaps even greater interests at stake than the people of the British Isles, and their delegates took a more active and prominent part than they had usually seemed inclined to take when European questions were under consideration.

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2. The Separate Conversations between the Chinese and Japanese Representatives at Washington in regard to the Shantung Question ;[1] and the Problem of Foreign Leased Territories in China

The history of the Chinese-Japanese controversy regarding Shantung down to the refusal of the Chinese delegation at Paris to sign the Versailles Treaty on the 28th June, 1919, has been recorded in the *History of the Peace Conference of Paris*[2] and need only be referred to very briefly in this place. The 'Shantung Group'[3] of the Twenty-One Japanese Demands of the 18th January, 1915, had been embodied in the Shantung Treaty of the 25th May of the same year and in 'Exchange of Notes B' of the same date between the Japanese and Chinese Governments.[4] By a secret agreement concluded between the Japanese Foreign Ministry and the Peking Ministry of Communications on the 24th September, 1918,[5] and another agreement signed on the 28th by the Chinese Minister at Tokio and the Industrial Bank of Japan, both the existing Tsingtao–Tsinanfu Railway and all railways which might be constructed in the Shantung Province in the future had been virtually made over to Japan in consideration for a Japanese loan to the Chinese Government and for a promise that the Japanese troops in the province would be withdrawn into the leased territory of Kiaochao.[6] By Articles 156–8 of the Versailles Treaty—from which China had withheld her signature—all German rights, titles, and privileges in Shantung had been renounced in favour of Japan. These Articles had made no reference to the foregoing Chinese-Japanese Agreements, and on the 5th May, the 17th May, and the 2nd August, 1919, public statements had been made by representatives of the Japanese Government to the effect that 'Japan's policy was to hand back the

[1] See the two volumes prepared by the Japanese and Chinese delegations respectively and printed by the Government Printing Office at Washington in 1923. The Japanese volume contains the minutes of the conversations, the Chinese volume a general report. Both contain the texts of the resulting Treaty and Agreements.

[2] Vol. vi, Ch. IV, Part 2.

[3] The most important demand in this group (to which China was compelled to assent on the 25th May, 1915) was that China should agree in advance to whatever arrangements Japan might thereafter make with Germany regarding the disposal of existing German rights and interests in Shantung.

[4] It must be remembered throughout that the Chinese Central Government exercised little real authority outside Peking.

[5] This agreement appears never to have been ratified by the Chinese Government.

[6] Except for one detachment which was still to remain at Tsinanfu.

Shantung Peninsula in full sovereignty to China, retaining only the economic privileges granted to Germany and the right to establish a settlement under the usual conditions of Tsingtao '. In answer to the Japanese statement of the 2nd August, 1919, which had referred to the Japanese-Chinese Agreements of 1915 as well as to the Versailles Treaty, President Wilson had publicly reserved the acquiescence of the United States in the Agreements of 1915 and 1918 between Japan and China.

At the opening of the year 1920 Japan held *de facto* considerably more than Germany had ever held in Shantung, and her claim to inherit Germany's position there had been recognized in the Peace Treaty by her European Allies ; but the non-ratification of the Versailles Treaty by the United States, its non-signature by China, and the damage inflicted upon Japanese material interests by Chinese resentment—which expressed itself in a spontaneous and effective boycott of Japanese goods [1]—made the Japanese Government anxious to regularize its position by coming to a direct understanding with the Government of Peking. Japan attempted to open negotiations as early as the 24th January, 1920, but, in a note of the 22nd May, China refused to negotiate with Japan on the basis of the Versailles Treaty, and demanded that the Japanese troops should be withdrawn not only from the line of the Tsingtao–Tsinanfu Railway, but from the leased territory [2] of Kiaochao (in which the railway terminated) without delay and without reference to the settlement of the Kiaochao question. The Chinese Government contended that its political sovereignty had not been affected by the succession of Japan to Germany's position in Shantung, and that there was therefore no occasion to purchase the restoration of that sovereignty by economic concessions.

This *non possumus* attitude, reinforced by the boycott of Japanese goods and by the policy of the United States, produced a considerable effect upon the Japanese Government ; and on the 7th September, 1921, after the invitations to the Washington Conference had been issued, Japan again approached China on the subject of Shantung—

[1] Although the authority of the Chinese Central Government was practically confined to Peking, it had the whole country behind it in its controversy with the Japanese Government, and could therefore reasonably claim to speak and negotiate as a national Government in this connexion. At the same time it was able to disclaim responsibility for anti-Japanese demonstrations in provinces which were not under its effective control.

[2] China claimed that the lease granted to Germany on the 6th March, 1898, had expired with the declaration of war by China upon Germany on the 12th August, 1917.

this time with a series of specific proposals.[1] The lease of the Kiaochao territory and the rights relating to the neutral zone were to be restored to China ; the demand for the establishment of an international and a special Japanese settlement in Kiaochao was to be withdrawn if China, on her own initiative, threw open the entire leased territory to foreigners as a commercial port on liberal terms ; the Shantung Railway and the mines annexed to it were to be under joint Chinese-Japanese administration ; but all special preferences and options regarding the employment of persons and the supply of capital and materials were to be renounced, further railway construction in Shantung was to be pooled in the new Consortium, the customs administration of Tsingtao was to be incorporated in the Chinese Maritime Customs Administration more thoroughly than it had been under the German régime, and government properties within the leased territory were to be ceded to China ' in principle ' or ' in general '. Agreements in detail for the execution of these arrangements were to be left to subsequent negotiation, but the Japanese troops were to be withdrawn in the meantime as soon as the Chinese Government had organized a police force to replace them. The Chinese Government, however, was not induced by this note to modify its position. In a reply dated the 5th October, 1921,[2] in which it weighed the Japanese proposals and found them wanting, it declared that, ' in view of the marked difference of opinion between the two countries, China reserved to herself the freedom of seeking a solution of the question whenever an opportunity presented itself.' Agreement was brought no nearer by a counter-reply from the Japanese Government on the 18th October,[3] to which the Chinese Government retorted with a counter-rejoinder, and the Shantung question was still unsettled on the 12th November, 1921, when the two parties attended the opening session of the Conference in Washington.

The Chinese delegation came to Washington with the hope of persuading the Conference to place the Shantung question upon its official agenda ; but Japan would never have consented to this [4] and she could not have been overruled, since, out of the nine states

[1] Text in *L'Europe Nouvelle*, 26th November, 1921.
[2] Text in *loc. cit.*
[3] Text in *L'Europe Nouvelle*, 5th November, 1921.
[4] On the 5th January, 1922, when the Treaties and Agreements of the 25th May, 1915, were mentioned in the Conference, the Japanese delegate insisted that ' the question was one to be taken up between China and Japan, if it were taken up at all, and not at this conference '.

represented on the Plenary Conference, six (including Japan herself) [1] had ratified the Versailles Treaty. As for the United States, the Shantung clauses of the Versailles Treaty were notoriously repugnant to American public opinion; but the Administration would have disliked still more to see the whole work of the Washington Conference hindered on account of a single local question, however important in itself, especially when there was a possibility of settling the Shantung controversy satisfactorily by a different procedure. This possibility existed because Japan was now more anxious than ever to liquidate the affair, if only this could be done through private conversations which would not injure her prestige. It remained to overcome the objections of China, which had moved her to reject Japan's advances during the previous month, and which rested on two grounds: first, that in negotiations *à deux* China would be at a disadvantage as the weaker of the two states; and secondly that, by consenting to enter into such negotiations, she would be admitting that Japan possessed rights in Shantung which were subject to negotiation, whereas China contended that Japan's position in the province was a usurpation based on nothing but military force. The British and American delegates, however, made suggestions for removing these objections, and eventually the Chinese delegation was induced to depart from the policy which their Government had pursued since June, 1919, by considerations which were ably presented in their official report:

> In the first place, these conversations were to be held at Washington and while the Conference was in session. This meant that the environment was to be an exceptionally favourable one for China—a consideration which, as every one who has participated in the conduct of international relations knows, is of great importance. The conference itself had for its purpose the removal, by mutual concession upon the part of the Powers concerned, of existing causes of international controversy in the Far East, and thus created, as it were, a general atmosphere that was favourable to a settlement of disputes upon which the Powers were not already so definitely committed that no change of policy upon their part could be expected.
>
> In the second place, the holding of these conversations was at the suggestion, and in pursuance of the good offices of Secretary Hughes, the head of the American delegation, and Mr. Arthur Balfour, the head of the British Empire delegation, and representatives of these gentlemen were to be present at all the conversations and were to have the right, at any time, to interpose with friendly suggestions. Finally, the results of the conversations were to be reported to the Conference,

[1] Belgium, France, Great Britain, Italy, Japan, and Portugal, as against China, the Netherlands, and the United States, who were not bound by the Versailles Treaty.

and thus the whole procedure, though technically not in the Conference, was to be connected with and ancillary to that body.

One further fact regarding the conversations requires to be mentioned. This is that, in entering upon them, the Chinese Government was not required to make any admissions or concessions regarding the legal or treaty rights of the Japanese Government or of its nationals in Shantung. Before the conversations were begun, it was definitely understood between the two delegations that the discussions should be upon what was termed a *de facto* basis ; that is, no argument should be based upon legal as distinguished from equitable or factual premises. In other words, neither the Chinese nor the Japanese were to rely upon the terms of the existing Sino-Japanese treaties or other agreements, nor were the Japanese to base any of their contentions upon the provisions of the Treaty of Versailles. For the purposes of the conversations the situation was thus reduced to this : Japan was in possession and exercising certain powers or rights in Shantung, but was ready to surrender them, or most of them, to the Chinese upon certain conditions. Should these conditions be accepted by the Chinese, the whole controversy was to be considered closed.

On these terms, the Chinese delegation wisely waived their objections ; the agreement that the conversations were to take place was announced to the Conference on the 30th November, 1921 ; and, in the course of thirty-six meetings, held between the 1st December, 1921, and the 31st January, 1922, a settlement of the complicated legal and economic questions at issue was successfully worked out in detail. The greatest difficulty, which arose over the question of the future control of the Tsinanfu–Tsingtao Railway, and which threatened at one moment to bring the conversations to a standstill, was eventually surmounted with the help of suggestions offered informally by the British and American delegations on the report of their respective observers ;[1] and a bipartite Treaty for the settlement of outstanding questions relative to Shantung was duly signed by the Chinese and Japanese delegates in Washington on the 4th February, 1922, two days before the signature of the Conference Treaties.

By the terms of this Treaty of the 4th February, 1922, Japan was to restore to China the former German leased territory of Kiaochao (Art. 1) ; a joint commission of three members each was to be appointed to carry out detailed arrangements relating to the transfer, and was to meet as soon as the present Treaty came into force

[1] These Chinese-Japanese negotiations under the auspices of two Powers with no interests of their own at stake except to secure a settlement acceptable to both parties were parallel in many respects to the Polish-German negotiations arising out of the partition of Upper Silesia which were conducted with similar success under the auspices of the League of Nations. (See III (ii) 3 (e) above.)

(Art. 2); the transfer was to be completed not later than six months from the coming into force of the Treaty (Art. 3); the necessary archives were to be handed over with the territory (Art. 4). All public properties, buildings, and works in the territory were to be transferred (with the exception of certain properties reserved for the Japanese consulate and colony) without compensation being claimed from the Chinese Government except for purchases, constructions, improvements, or additions made by the Japanese during the period of their occupation—the details to be arranged by the Joint Commission (Art. 8). The Japanese troops and gendarmes were to be withdrawn from the Tsinanfu–Tsingtao Railway in sections within three months, if possible, and in any case not later than six months from the signature of the Treaty (Arts. 9–10), and the Japanese garrison at Tsingtao was to be withdrawn simultaneously with, or in any case not more than thirty days later than, the transfer of the territory of Kiaochao (Art. 11). The customs house at Tsingtao was to be made an integral part of the Chinese Maritime Customs upon the coming into force of the Treaty, and the provisional Chinese-Japanese arrangement of the 5th August, 1915, relating to it was to terminate at the same date (Arts. 12–13). The Tsingtao–Tsinanfu Railway with all its appurtenances was to be transferred to China by Japan (Art. 14); China was to reimburse to Japan the actual value of all these railway properties [1] (Art. 15); a Joint Railway Commission of three members each was to be appointed to appraise the actual value and arrange the transfer (Art. 16); the transfer was to be completed not later than nine months from the coming into force of the Treaty (Art. 17); the reimbursement was to be effected by the delivery (simultaneously with the completion of the transfer) of Chinese Government treasury notes, secured on the properties and revenues of the railway and running for fifteen years, but redeemable at any time after the end of the first five years (Art. 18); pending the redemption of these notes, the Chinese Government was to appoint a Japanese subject as traffic-manager and another as joint-accountant, but these officials were to be subject to a Chinese managing director and removable for cause (Art. 19); [2] the financial details were to be settled later (Art. 20). Concessions for the extension of the Tsingtao–

[1] That is 53,406,141 marks (gold), being the assessed value of the railway properties left behind by the Germans, plus the amount spent by Japan on permanent improvements and additions less depreciation.

[2] This was the clause which caused the greatest difficulty in reaching the settlement.

Tsinanfu Railway were to be thrown open to an international financial group [1] (Art. 21). Certain mines in which the mining-rights had formerly been granted to Germany were to be handed over to a company under Chinese Government charter in which Japanese was not to exceed Chinese capital—the terms to be arranged by the Joint Commission provided for in Article 2 (Art. 22). Japan renounced the establishment of an exclusive Japanese settlement or of an international settlement in the former German-leased territory of Kiaochao, while China undertook to open the territory to foreign trade (Art. 23); China undertook to respect all rights lawfully and equitably acquired in the territory by foreign nationals under both the German and the Japanese régimes—the cases of Japanese subjects to be adjusted by the Joint Commission (Art. 24). The remaining three articles (25–7) were concerned with the salt industry, submarine cables, and wireless stations.

An annex contained a renunciation by Japan of preferential rights secured to Germany in the Chinese-German Treaty of the 6th March, 1898; dealt with details relating to the transfer of public properties; gave Japanese traders the privilege of using the Japanese language in the Tsingtao customs house; provided for conciliation by some third party in case the Joint Railway Commission failed to agree; permitted the construction of the Chifu–Weihsien Railway by Chinese capital, and arranged for the consultation of the foreign residents in Kiaochao by the Chinese local authorities in such municipal matters as might directly affect their welfare and interests. A number of other points in the Treaty were interpreted by agreed terms of understanding recorded in the minutes of the Chinese and Japanese delegations. For example, it was agreed that the terms of Article 23 were not to entitle foreigners to engage in agriculture in the Kiaochao territory, and it was noted that Japanese post offices in Shantung, both inside and outside the Kiaochao territory, were to be withdrawn at specified dates.

On the 29th June, 1922, the Joint Commission set up under Article 2 of the Treaty met in China and began its work, and on the 1st December it completed it by the signature of an agreement covering all the questions of detail which had been left over in the Treaty itself. Meanwhile, on the 30th October, the civil administration in the Kiaochao territory had been transferred from Japanese to Chinese hands, except for the port of Tsingtao, where the transfer did not take place until the 10th December. An agreement regarding

[1] i. e. the new Four-Power-Group Consortium.

the Shantung Railway, on terms worked out by the Joint Railway Commission set up under Article 16 of the Treaty, was signed on the 5th December, 1922, and the railway was formally transferred on the 1st January, 1923. On the 17th December, 1922, the last Japanese troops were withdrawn.

The withdrawal of Japan from Kiaochao was supplemented by a proposal on the part of Great Britain to restore the district of Weihaiwei on the northern coast of the Shantung peninsula, where she had obtained a lease of territory from the Chinese Government on the 1st July, 1898, after Germany had installed herself at Tsingtao and Russia at Port Arthur. In the fifth Plenary Session of the Washington Conference on the 1st February, 1922, after the Chinese-Japanese Agreement had been reported, Mr. Balfour announced a definite offer from the British Government to surrender the lease of Weihaiwei to China—subject to the territory remaining available as a sanatorium or summer resort for the China Squadron of the British navy. This offer was confirmed on the 3rd February in a letter addressed to the Chinese delegation, with the suggestion that an Anglo-Chinese Joint Commission should be set up (on the precedent of the Japanese-Chinese commission which had been created to deal with Kiaochao) in order to study the question locally and make the necessary recommendations on points of detail. The terms of this letter were accepted by the Chinese delegation with grateful appreciation on the 5th February, on the 2nd October the Joint Commission began its discussions, and a provisional agreement in detail was eventually reached on the 31st May, 1923; but important modifications were then proposed by the Chinese Government, and these were still under discussion at the end of the year.

Thus the whole province of Shantung—a country with a population as large as that of contemporary England and especially sacred to Chinese sentiment as the birth-place of Confucius—returned, or was in the course of returning, to direct Chinese administration; but in 1898 three other leases of Chinese territories outside Shantung, one in Manchuria and two in the south, had been granted by the Chinese Government, namely: a lease of Port Arthur and the Kwantung district on the Liaotung Peninsula [1] to Russia on the

[1] Liaotung was the name of the peninsula facing Weihaiwei across the Gulf of Chihli; the district leased to Russia at the tip of this peninsula was called Kwantung (which is not to be confused with the province of the same name in the south of China); the chief military and naval centre in Kwantung was Port Arthur and the chief civil centre the town called Dalny in Russian and

27th March for twenty-five years; a lease of additional territory round Kowloon, on the mainland opposite Hong Kong, to Great Britain on the 9th June for ninety-nine years; and a lease of Kwangchouwan, also for ninety-nine years, to France, on the 22nd April. At a meeting of the Washington Conference Committee on Pacific and Far Eastern Questions on the 3rd December, 1921,[1] the Chinese delegation asked for the surrender of all these leaseholds, on the ground that Germany and Russia, who had taken the initiative in obtaining them in 1898, had now been eliminated, while France and Great Britain had applied for their respective leases, after Germany and Russia had set the precedent, with the avowed object of maintaining the balance of power.[2] Indeed, the British lease for Weihaiwei had been granted 'for so long a period as Port Arthur should remain in the occupation of Russia'. In the meantime, the Port Arthur lease had been transferred from Russia to Japan in 1905 and had been extended to a period of ninety-nine years by Article 1 of the South Manchuria Treaty, which had been signed by China and Japan on the 25th May, 1915, as part of the execution of the Twenty-One Demands.

On the 3rd December, 1921, in the debate which followed the statement by the Chinese delegation, the Japanese delegate reminded the Conference that conversations for the surrender of the Kiaochao lease were already taking place, but declared that Japan had no intention of relinquishing the rights which she had acquired in Liaotung. The British delegate intimated that Great Britain would not make the surrender of the Weihaiwei lease dependent upon the withdrawal of Japan from the Kwantung territory, but would be ready to relinquish it if and when Japan relinquished Kiaochao,[3] and this contingent offer was afterwards renewed in a definite form on the 1st February, 1922, as has been mentioned already. On the other hand, Mr. Balfour declared on the 3rd December, 1921, that Great Britain could not contemplate the surrender of Kowloon, which would make Hong Kong strategically untenable. The French

Dairen in Japanese. In 1895 Japan had obtained the whole Liaotung Peninsula from China as a result of the Japanese-Chinese War; but she had been forced by Russia, Germany, and France to surrender her gains, and the Kwantung district, which Russia leased from China three years later, and which Japan eventually took over from Russia in 1905, was a much smaller area.

[1] For the *procès-verbal* of this meeting, see *Report of the Canadian Delegate*, Appendix 14.

[2] On the 30th April, 1898, when the Weihaiwei lease had been under negotiation, Great Britain had expressly renounced any economic privileges, and none had been included in the final instrument of the 1st July.

[3] Kiaochao being situated in the same province (Shantung) as Weihaiwei.

delegate made a definite offer, on the 3rd December, to surrender the Kwangchouwan lease as part of a collective restitution of leased territories, but reserved for his Government the right to examine the situation created by the definite refusals of Japan and Great Britain to surrender Port Arthur and Kowloon respectively.

There the question was left for the time being, and the subsequent Chinese-Japanese agreement regarding the surrender of Kiaochao, while it resulted in the opening of negotiations for the surrender of Weihaiwei, did not produce similar results in the case of the other three leases. On the 10th March, 1923, indeed, the Chinese Government specifically demanded the restitution of Port Arthur and Kwantung, in a note to the Japanese Government proposing the annulment of the Treaties and Exchanges of Notes of the 25th May, 1915, arising out of the Twenty-One Demands ; but on the 21st of the same month the Japanese Government returned an uncompromising refusal to the Chinese requests regarding the Twenty-One Demands in general and the Port Arthur lease in particular.[1]

It was evident that, from a practical point of view, the Japanese leased territory of Kwantung and the British leased territory of Kowloon were on a different footing from the other three. Whereas Kiaochao, Weihaiwei, and Kwangchouwan were isolated outposts, which the Powers respectively holding them could evacuate without endangering their main positions, Kwantung and Kowloon were each bound up with vital Japanese and British interests. Port Arthur was not only a possible base for Japanese aggression in the direction of Peking ; it was also a defensive position covering the land frontier of Japan's continental possessions ; and here, if anywhere, the doctrine of ' special interests ' created by ' territorial propinquity ' could be put forward with some justification.[2] As

[1] For the history of the Twenty-One Demands during the period covered by this volume, see VI (iv) 3 below. After the Japanese statement reported to the Washington Conference on the 4th February, 1922, the extension of the Port Arthur lease from twenty-five years to ninety-nine years was one of the most important of those articles in the Treaties and Agreements of the 25th May, 1915, which still remained valid. If Japan had agreed in March, 1923, to a general annulment of these Treaties and Agreements, one effect would have been to restore the leased territory of Kwantung to China, since the original lease granted to Russia on the 27th March, 1898—which would then have become valid again automatically as between China and Japan—was due to expire on the 27th March, 1923.

[2] In the debate on the 3rd December, 1921, the Japanese delegation also pointed out that, whereas the other Powers had acquired their leases cheaply (Germany, for instance, had paid no higher price than the lives of two missionaries !) Japan had superseded Russia at Port Arthur and Germany at Tsingtao ' at a considerable sacrifice in men and treasure '.

for Hong Kong, it was, as Mr. Balfour reminded the Conference, 'easily first among the ports of the world'—the reason being that it was a free port at the disposal of all nations—so that the safeguarding of the position of Hong Kong, which depended on the retention of Kowloon, 'was not merely a British interest but one in which the whole world was concerned.'

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3. The Liquidation of the 'Twenty-One Demands'[1]

The earlier history of the 'Twenty-One Demands' has been touched upon in the introduction to the present Part and in Section (iii) above it has been explained how, after a stubborn diplomatic contest, the scope of the Chinese-Japanese Treaties and Agreements which had been signed on the 25th May, 1915, was restricted by the terms of agreement of the new Four-Power-Group Consortium. In regard to certain specific railway enterprises in the western portion of the South Manchurian–Eastern Inner Mongolian area, Japan had ceded to the Consortium the first option which she had

[1] For the full text of the original demands, with notes of the modifications introduced in the Treaties and Agreements of the 25th May, 1915, see *H. P. C.*, vol. vi, Appendix IV.

secured on all railway enterprises in the area by Article 5 of the South Manchuria Treaty of the 25th May, 1915 (embodying Article 9*a* of Group II of the Demands). Many points, however, remained obscure. For example, a study of the correspondence leading up to the Consortium Agreement, which has been discussed in a previous section,[1] undoubtedly leaves the impression that Japan had renounced her claim in general to differentiate Eastern Inner Mongolia and Southern Manchuria from other Chinese territories as a Japanese 'sphere of special interests'; yet Mr. Hara, who was the Prime Minister of Japan at the time of the Consortium negotiations, afterwards stated in public that the other Powers had now recognized Japan's special position in that region. Moreover, the Consortium Agreement, however it was to be interpreted, admittedly touched only a small portion of the vast field covered by the Twenty-One Demands and by the resulting Treaties and Agreements. Accordingly, at the Washington Conference, the Chinese delegation raised the question of the Twenty-One Demands as a whole, and the situation thus created was met by placing upon the records of the Conference three statements made by the Japanese, Chinese, and American delegations on the 2nd and 3rd February, 1922.

The Japanese delegate refused point-blank to consider the cancellation of the Treaties and Agreements of the 25th May, 1915, or to admit any question as to their legal validity.

> It is evident [he said] that no nation can have given ready consent to cessions of its territorial or other rights of importance. If it should once be recognized that rights solemnly granted by treaty may be revoked at any time on the ground that they were conceded against the spontaneous will of the grantor, an exceedingly dangerous precedent will be established, with far-reaching consequences upon the stability of the existing international relations in Asia, in Europe, and everywhere.

At the same time he announced several important concessions. In the first place, Japan would throw open to the new Consortium her exclusive options (under Article 5 of the South Manchuria Treaty of the 25th May, 1915) for the construction of railways and for loans to be secured on the local taxes in Southern Manchuria and Eastern Inner Mongolia—without prejudice to the terms of agreement on which the Consortium was based.[2] Secondly, Japan would not insist on her preferential rights (under Article 6 of the

[1] VI (iii).

[2] For the Consortium negotiations regarding Eastern Inner Mongolia and Southern Manchuria see VI (iii) above.

same Treaty) regarding the engagement by China of Japanese political, financial, military or police advisers or instructors for service in Southern Manchuria. Thirdly, Japan would withdraw the reservation which she had made, in signing the instruments of the 25th May, 1915, to the effect that Group V of the original demands would be postponed for future negotiations.[1] Baron Shidehara further pointed out that the Shantung Treaty of the 25th May, 1915, embodying Group I of the Demands, had been superseded by the new agreement which had just been reached as a result of the Chinese-Japanese conversations in Washington.

Thus two groups of demands out of the original five had now lapsed in consequence of the new Consortium Agreement, the new Shantung Treaty, and the new Japanese declaration. There remained Group III, which provided that the Han-yeh-ping Company should become a joint Japanese-Chinese concern ' when the opportune moment arrived ' ;[2] Group IV, which consisted of a single Article prohibiting the cession or lease by China to *a third* Power of any harbour or bay or island along the Chinese coast ; and five Articles of Group II which had been embodied in Articles 1–4 and Article 7 of the South Manchuria Treaty. As regards Group III, Japan does not appear to have renounced any of her rights either on this or on any subsequent occasion during the period under review. As regards Group IV, it might be considered to have been superseded by a declaration which the Chinese delegation had made before the Conference Committee on Pacific and Far Eastern Questions on the 22nd November, 1921, to the effect that China was prepared to give an undertaking not to alienate or lease any

[1] This withdrawal appears to have implied an abandonment not only of those six out of the seven demands in this group which China had never accepted, but also of Demand 20 (Art. 6 of Group V), which would have given Japan the first option on all concessions in the Province of Fukien. On the 25th May, 1915, China had given Japan an assurance that she had granted no permission to foreign nations to construct dockyards, coaling-stations for military uses, naval bases or other military establishments in Fukien ; but she had stated at the same time that she did not intend to borrow foreign capital (Japanese or other) for such purposes, and she had not accepted the Japanese demand for a first option in regard to commercial harbour works, railways, or mines. In this respect, therefore, Demand 20, like the rest of Group V, had been postponed in 1915 for future negotiations, and was therefore covered by Baron Shidehara's withdrawal of that reservation on the 2nd February, 1922.

[2] This company was a Chinese enterprise for developing the vast resources of the Yangtze Basin in coal and iron. Its importance was increased by the provision in Demand 13 (Art. 2 of Group III) that the Han-yeh-ping Company should have a veto upon the working, by parties other than itself, of any mines ' in the neighbourhood '.

portion of her territory or littoral to *any* Power. As regards the outstanding Articles of the South Manchuria Treaty, the American delegation, in its statement of the 3rd February, 1922, did not challenge the validity of Articles 2–4, under which the Chinese Government had granted certain extensive rights and facilities [1] to Japanese subjects in the South Manchurian–Eastern Inner Mongolian area, but announced that the United States would regard the grant ' as not intended to be exclusive ' and would claim in respect of it the benefit of the ' most favoured nation ' clauses in the treaties between the American and Chinese Governments.[2] Robbed of their exclusiveness [3] and divorced from the other Articles of the same Treaty which Japan had already abandoned, these privileges granted locally to Japanese subjects no longer menaced the political integrity of China so gravely as they had done in their original setting. In fact, China was now virtually released from seventeen out of the original Twenty-One Demands, but she had not freed herself from Group III, and besides this she was still saddled with Article I of the South Manchuria Treaty, which had extended the leases of the Kwantung territory (including Port Arthur) and the South Manchurian Railway to the period of ninety-nine years, and with Article 7, which had given Japan the control and management of the Changchun–Kirin Branch for a period of ninety-nine years from the 25th May, 1915.[4]

The question of the Kwantung leasehold (with which that of the South Manchurian Railway was bound up) has been dealt with already.[5] This was, of course, an issue of the utmost importance in itself ; but the forlorn hope of inducing Japan to abandon these leases, which she regarded as vital to her position on the continent, was not the only consideration in the minds of Chinese statesmen. Unless and until the Treaties and Agreements based on the Twenty-

[1] The rights to lease land for building purposes, for trade and manufacture, and for agricultural purposes in South Manchuria, to reside and travel in South Manchuria and to engage in any kind of business and manufacture there, and to enter into joint undertakings with Chinese citizens in agriculture and similar industries in Eastern Inner Mongolia.

[2] The American delegation also pointed out that the Four-Power-Group Consortium, to which Japan proposed to cede her options for railways and loans, had no exclusive rights as against the nationals of other Powers possessing treaties with China.

[3] The Japanese delegation, on their side, did not challenge the American interpretation of these Articles, though on the other hand they did not explicitly endorse it.

[4] The Chinese Government had not accepted this Article on the 25th May, 1915, but had eventually conceded it in an exchange of notes on the 24th September, 1918.

[5] See VI (iv) 2 above.

One Demands were cancelled *in toto* in some formal manner, they felt that the conduct of Japan in 1915 would appear to have been condoned and that China would be exposed to similar treatment at the hands of her neighbour if ever the opportunity recurred. The representatives of China therefore continued to press for the complete cancellation of the Twenty-One Demands, both in their statement before the Washington Conference [1] and again in the note addressed to the Japanese Government on the 10th March, 1923, which has been mentioned already.[2]

On each of these occasions, the Japanese Government returned a point-blank refusal; but the principle at stake—which was whether 'territorial propinquity' gave Japan 'special interests' in China entitling her to take special action—was settled, by other means, in China's favour. China had gained one point by her own efforts in January, 1921, when the naval and military agreements which she had concluded with Japan on the 16th and the 19th May, 1918, respectively [3] had been cancelled by an agreement between the two High Commands and an exchange of notes between the two Governments.[4] Another point was gained for her by the diplomacy of the United States, when the Ishii-Lansing Agreement of the 2nd November, 1917, was formally cancelled (unlike the Twenty-One Demands) by an exchange of notes between the American and Japanese Governments in April, 1923.[5] The principle was still more clearly enunciated, however, by Baron Shidehara himself in a statement which he made at the Plenary Session of the Washington Conference on the 4th February, 1922. 'To say that Japan has special interests in China', he declared, 'is simply to state a plain and actual fact. It intimates no claim or pretension of any kind prejudicial to China or to any other foreign nation.' And he presented this fact in a light in which neither China nor the English-speaking peoples could take exception to it.

> We are vitally interested [he said] in a speedy establishment of peace and unity in China and in the economic development of her vast natural resources. It is, indeed, to the Asiatic mainland that

[1] In this statement the Chinese delegate, Chief Justice Wang Ch'ung-hui, turned the tables effectively on Baron Shidehara by arguing that the 'dangerous precedent' was not the Chinese proposal to cancel the Twenty-One Demands but the action of Japan in imposing them.

[2] See VI (iv) 2 above. For texts of the note and of the Japanese reply of the 21st March, 1923, see *L'Europe Nouvelle*, 2nd June, 1923.

[3] Texts in MacMurray, *Treaties and Agreements with and concerning China*, vol. ii, p. 1410.

[4] Texts in *Bulletin de l'Institut Intermédiaire International*, July, 1921.

[5] Texts in *L'Europe Nouvelle*, 2nd June, 1923.

> we must look primarily for raw materials and for the markets where our manufactured articles may be sold. Neither raw materials nor the markets can be had unless order, happiness and prosperity reign in China, under good and stable government. With hundreds of thousands of our nationals resident in China, with enormous amounts of our capital invested there, and with our own national existence largely dependent on that of our neighbour, we are naturally interested in that country to a greater extent than any of the countries remotely situated. . . . We do not seek any territory in China, but we do seek a field of economic activity beneficial as much to China as to Japan, based always on the principle of the open door and equal opportunity.

This statement has been quoted at length because it draws attention to those urgent economic problems which were never absent, at this period, from the minds of Japanese statesmen. Japan had shown so little restraint or compunction in exploiting the opportunity presented to her in 1914, and her methods had been so cynical and so high-handed, that the enlightened public opinion of the world, in its sympathy for her victims, had been inclined to forget the necessities which spurred her on. It must be stated frankly that the policy which was dominant in the counsels of the Japanese Government during this period failed, and deserved to fail, because it was out of harmony with the better tendencies of the age ; but, when this is said, it must be admitted just as frankly that, if this policy had offered the only solution for Japanese problems, the Japanese Government would have been confronted with a tragic dilemma. Happily, however, the Japanese Government and the Japanese people were taught in time, partly by the passive resistance of the Chinese people and partly by the constructive diplomacy of the English-speaking Powers, that the policy which they had been pursuing offered them no solution at all ; and in his statement on the 4th February, 1922, Baron Shidehara demonstrated, as clearly as any British, American, or Chinese diplomatist could have done it for him, that Japan would best consult her interests by a policy of co-operation, not of conflict, with the other Far Eastern and Pacific Powers.[1]

[1] In the course of the Washington Conference, the Japanese delegation brought forward a definite proposal that the Chinese Government should remove hindrances to foreign trade and enterprise in China, but this proposal was waved aside by the Chinese delegation. The incident was not very important in itself, but it illustrates how Japan, by the policy which she had pursued since 1915, had prejudiced her legitimate economic interests in China by arousing an indiscriminate opposition, on the Chinese side, against all Japanese demands.

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4. The Status of China

In the preceding sections of this Part it has been shown how by several series of negotiations, some of which were carried out before, and others during, the Washington Conference, Japan was induced to abandon that position of special predominance in China which she had been attempting to build up for herself since 1914. Before the Conference terminated this special problem of Japanese-Chinese relations had been brought so near to a solution that it no longer dominated the Far Eastern situation, and the Conference was therefore able to take in hand the general relations between China and other countries and to make some progress towards placing them on a satisfactory basis. Indeed, one of the achievements of the Conference was that it substituted the rights and needs of China for the demands and ambitions of Japan as the principal concern of international diplomacy in the Far East. Its work in this direction was embodied in two Nine-Power Treaties, ten Conference Resolutions, one Report by a Technical Sub-committee, and two declarations by the Chinese delegation; but, before dealing with these,[1] it is necessary to describe very briefly the situation of China herself at this time.[2]

[1] The Report and Resolutions regarding the Chinese Eastern Railway are reserved for treatment in the *Survey of International Affairs for 1924.*

[2] For a fuller discussion of the main features in the position and prospects of China, see the United States delegates' introduction to the second part of their report (pp. 41 to 43), and the statement made in the Pacific and Far

Since the third century before Christ the peoples of China (who in the age of Confucius were divided between a number of independent and contending states, like the peoples of Ancient Greece or Modern Europe) had been united in a single Empire, which, like the Roman Empire, was the embodiment of an entire civilization and which therefore regarded itself as the *Orbis Terrarum* and all other peoples whom it encountered as outer barbarians. The inhabitants of this 'Middle Kingdom' had acquired some of those well-known characteristics which were implanted, under similar conditions, in the Roman provincials—only to a far greater degree, for, whereas the Roman Empire had lasted in the West for little more than four centuries, the Chinese Empire had succeeded for over two thousand years in reconstituting itself after every disruption and in assimilating or expelling the successive foreign invaders who had conquered some or all of its provinces. Under the long influence of this imperial régime, the Chinese had developed special points of strength and weakness. They had become strong in the unity of their social institutions, their philosophical, literary, and artistic culture, their common script (which was current throughout the Empire) and their common official language (which was current in all provinces except those of the south-eastern littoral). They had become weak in the pacifism, the absence of national consciousness, and the contempt for any foreign civilization which were the concomitant results of the same imperial system. The Chinese provincial was accustomed to leave the defence of the distant frontiers to the professional troops of the Central Government, and he could neither love the Empire actively nor fear for its safety acutely, as the Ancient Greek felt for his city or the Modern Westerner for his nation. To the Chinese mind, the 'Middle Kingdom' was eternal, and the human family within the magic pale had little to fear or to hope, to lose or to learn, from the tribes outside it.[1]

This attitude of mind had justified itself for two thousand years in the successive dealings of the Chinese Empire with barbarians or members of lower civilizations, and it had determined the policy

Eastern Committee of the Conference on the 20th January, 1922, by Sir Robert Borden with reference to the Conference Resolution regarding the reduction of Chinese military forces. The close attention paid to China by the statesmen of the English-speaking countries round the Pacific was significant.

[1] The only important exception to this was the reception of Buddhism and the veneration for the Buddhist Holy Land, which drew many Chinese pilgrims to Northern India from the fifth century after Christ until the extinction of Buddhism in India and Central Asia.

of the Chinese Government towards the latest intruders from the West during the first three centuries of intercourse. From 1516 to 1842 the relations between China and the West had been restricted to the narrowest limits by the Chinese authorities. Since 1842, however, the Westerners had broken down the barriers of the Chinese Empire by force.[1] They had compelled it to cede to them several of its outlying islands and dependencies, to open one 'Treaty Port' after another to foreign trade, to confer extra-territorial jurisdiction upon foreign consuls and corresponding privileges upon private foreign residents on the model of the Levant Capitulations; to assign specific districts ('concessions' and 'settlements') in the Treaty Ports, where foreigners could live under their own laws, guarded by their own police; and to grant leases of vital points on the Chinese coastline to foreign Powers.[2] In the face of all these encroachments the Chinese people had found themselves helpless. They possessed neither the political experience nor the technical skill required for offering effective resistance to these Westerners, whose civilization was more vigorous, in every respect, than the Chinese civilization of that age. The Boxer Rising of 1900–1 had merely resulted in the imposition of a heavy indemnity and the establishment of a fortified legation quarter in the capital, and it was a worse humiliation that Japan—who for centuries had borrowed her culture from China—had now adopted the technique of the West, successfully imitated the Western Powers in their policy of aggression, and eventually made the attempt, which has been described above, to bring China under her exclusive predominance. This complete breakdown of the material barriers which China had so long maintained against the rest of Mankind had begun, after about half a century, to undermine the spiritual barriers which had grown up within their shelter. The mental revolution had declared itself first in the political field, when the Imperial Government had been overthrown in 1911—not in order to prolong the life of the Imperial system by substituting a vigorous dynasty for an effete dynasty, as had been done so often in Chinese history, but with the radical aim of replacing indigenous political institutions which had endured for more than two thousand years by parliamentary democratic institutions on the Western model.

The immediate result of this bold political experiment had been

[1] The first breach was made by the Anglo-Chinese Peace Treaty signed at Nanking on the 29th August, 1842, after the war of 1839–42.

[2] See VI (iv) 2 above.

anarchy. At the time when the Washington Conference was in session, there was one shadowy Government of the Chinese Republic at Peking, an opposition Government at Canton under the Presidency of Dr. Sun Yat-sen, and a virtually independent Viceroyalty in the three Manchurian provinces under the dictatorship of General Chang Tso-lin,[1] while in almost every other province the power of the nominal Governments at Peking and Canton was being usurped and the local revenues were being intercepted by military governors who were constantly lapsing into war with one another. This state of anarchy rendered China even less capable of resisting foreign aggression than she had been before, yet, if she could be shielded for the time being from outside interference, there was no reason to assume that her internal troubles would become a chronic disease or that they would leave her permanently enfeebled. In her long history, China had survived periodic civil wars and rebellions which had been far more destructive to life and property than the present disturbances.[2] Although it was estimated by Sir Robert Borden in January, 1922, that there were not less than 1,000,000 men in China on the military pay rolls, the proportion of this number to the total population was very much smaller than the proportion of the contemporary European armies on a peace footing to the total population of Europe, and it may even be questioned whether the normal course of life was being disturbed by military operations over a larger extent of territory in China at that moment than on the European Continent. Whole provinces remained immune from the mischief ;[3] and, if the movement of foreign trade is any index of a country's prosperity, it deserves notice that the annual value of China's exports and net imports had risen slightly between 1913 and the close of the War and very considerably between that date and the end of the year 1922.[4] At the same time the Chinese people were showing other signs of vitality. The Industrial Revolution was beginning ; Western methods of education were rapidly being introduced ; the Western leaven was producing a violent ferment in the Chinese mind ; and one of its most remarkable manifestations

[1] Chang Tso-lin declared the independence of his three Manchurian provinces in the spring of 1922, after he had been driven out of the metropolitan province of Chihli by Wu Pei-fu.

[2] e. g. the two Muslim Rebellions of 1855–73 and 1861–77 in Yunnan and the North-Western Provinces respectively ; the Taiping Rebellion of 1850–64 ; or the great Rebellion of A. D. 755–63, which is recorded to have reduced the population of the Empire from 9,500,000 to less than 3,000,000 households.

[3] The ' model province ' of Shansi was only the most conspicuous example.

[4] See table in *China Year Book 1924–5*, p. 677.

was a new national consciousness which had already strengthened the hands of the Peking Government in its foreign policy (impotent though it remained in home affairs) and had made the boycott an effective retort to the policy of Japan. The rising generation of Western-educated students (a mere handful, as yet, among the total population of the Republic, but a handful whose influence was out of proportion to its numbers) was attempting to transform the passive provincials of an ancient empire into the active citizens of a modern national state. If this effort succeeded, the consequent release of energy in a population of 400,000,000 with a high average of intelligence, a habit of intense industry, and a country containing vast undeveloped natural resources, might be one of the greatest movements in the history of Mankind.[1] China was the largest unknown quantity in the Far East and the Pacific, perhaps in the whole world, and it was therefore in the general interest of society that she should be given the opportunity to work out her own salvation under the most favourable conditions and that nothing should be done to embitter her feelings or to give her awakening national consciousness a chauvinistic bent while she was in the impressionable stage of transition.

These considerations inspired the treatment of the Chinese problem at the Washington Conference. On the 16th November, 1921, at the first meeting of the Committee on Far Eastern and Pacific Problems, the Chinese delegation took the initiative by submitting ten general principles ' for consideration and adoption ', [2]

[1] The ultimate possibilities of this movement in China dwarfed those of the movement which had begun half a century earlier in Japan, and this not only because the Chinese movement was quantitatively on a greater scale but because the process was more radical. Japan, though she had borrowed her culture from the Chinese Empire since the sixth century after Christ, had been the antithesis of China in her social and political institutions. With her feudalism, her national consciousness, her imitativeness, and her pugnacity she already had more in common with the peoples of the West before they crossed her path than any other non-Western community that encountered them ; and this no doubt accounts for the almost unique achievement of the Japanese Government in remaining masters of the situation both when they deliberately excluded the West, after a century's trial, in the seventeenth century and when they deliberately readmitted it in the nineteenth. On both occasions the revolution was successfully carried out because it was planned by a few capable statesmen who were enabled, by the feudal institutions of their country, to impose their policy from above upon the rest of the nation. In China, whose institutions were a compound of autocracy and democracy like those of the Roman Empire, such methods were impossible, and the Chinese Revolution was a movement not from above but from below. It was therefore slower, more anarchic, and more blundering than the Japanese movement, but it might prove in the end to be more fruitful and more thorough.

[2] Text in *Report of the Canadian Delegate*, Appendix 11.

and the majority of these were eventually embodied in one or other of the Conference instruments. The most important instrument in this connexion was the Treaty 'relating to principles and policies to be followed in matters concerning China' which was signed in Washington on the 6th February, 1922, by the United States, Belgium, the British Empire, China, France, Italy, Japan, the Netherlands, and Portugal. In Article 1 the parties agreed:

> 1. To respect the sovereignty, the independence, and the territorial and administrative integrity of China;
> 2. To provide the fullest and most unembarrassed opportunity to China to develop and maintain for herself an effective and stable Government;
> 3. To use their influence for the purpose of effectually establishing and maintaining the principle of equal opportunity for the commerce and industry of all nations throughout the territory of China;
> 4. To refrain from taking advantage of conditions in China in order to seek special rights or privileges which would abridge the rights of subjects or citizens of friendly States, and from countenancing action inimical to the security of such States.[1]

In a separate declaration of the 22nd November, 1921, China had already undertaken not to alienate or lease any portion of her territory or littoral to any Power.[2] In the Treaty of the 6th February, 1922, the parties further agreed not to enter into any treaty or understanding among themselves or with any Power or Powers which would infringe the principles of Article 1 (Art. 2). In pursuance of the principle of the 'Open Door', which was interpreted as 'equality of opportunity in China for the trade and industry of all nations',[3] the parties other than China agreed not to support their respective nationals in seeking certain advantages which would impair it, while China, on her part, undertook not to grant such advantages to the nationals of other Powers (Art. 3). The parties also agreed not to support any arrangements between their respective nationals for creating spheres of influence in Chinese territory (Art. 4). China undertook not to exercise or permit unfair discrimination (the meaning of which was defined) on any railway in her territory, while the other parties undertook a corresponding obligation in respect of any of the aforesaid railways over which

[1] Compare the Chinese statement of the 16th November, 1921, Points 1 (*a*), 2, and 4.

[2] Compare the Chinese statement of the 16th November, 1921, Point 1 (*b*).

[3] The United States Government had been working for the recognition and practice of this principle in China since 1899. See the introduction to this Part, p. 424, above.

they or their nationals were in a position to exercise any control (Art. 5). The parties other than China agreed to respect China's rights as a neutral in time of war to which China was not a party, while China undertook, when a neutral, to observe the obligations of neutrality (Art. 6).[1] Finally the parties agreed that 'there should be full and frank communication between the Contracting Powers concerned' whenever a situation arose which involved the application of the Treaty in the opinion of any one of them (Art. 7);[2] and that the adhesion should be invited of non-signatories which had Governments recognized by the signatories and were in treaty relations with China (Art. 8).

The liberal spirit of this Treaty likewise animated the Treaty 'relating to the Chinese Customs Tariff' which was signed by the same nine Powers on the same date, although—as was pointed out by Senator Underwood, the United States delegate who presented the draft to the Conference—the regulation by treaty of a matter which would appear *a priori* to be a domestic concern of China might seem at first sight incompatible with the terms of the other Treaty described above.[3] In order rightly to appreciate the character of this Tariff Treaty, two facts must be borne in mind. In the first place, the Chinese Maritime Customs Administration, which had been built up since 1853 by successive arrangements between the Chinese Central Government and the Consular Body at Shanghai, and which was managed by foreigners in the Chinese service,[4] was an institution of common benefit to the foreign trader and the Chinese state. It provided the former with stable conditions for conducting his business and the latter with an assured revenue—an asset of especial value at a time when the maritime customs receipts were increasing while other revenues of the Central Govern-

[1] Compare the Chinese statement of the 16th November, 1921, Point 8.

[2] This Article, which had its counterpart in the second paragraph of Article 1 of the Four-Power Pacific Treaty of the 13th December, 1921, and in Article 21 of the Five-Power Treaty of the 6th February, 1922, for the Limitation of Naval Armaments, was an attempt to secure the advantages of Article 11 of the Covenant of the League of Nations while avoiding the commitments of the subsequent Articles. (Compare Points 9 and 10 in the Chinese statement of the 16th November, 1921.)

[3] For clear explanations of the rather complicated background of this Treaty see *Report of the Canadian Delegate*, pp. 32–5; *Report of the American Delegation* (Senate Document 125), pp. 59–66; *China Year Book 1924–5*, pp. 445–73.

[4] Before the outbreak of the War of 1914 there were 1,357 foreigners of twenty different nationalities in the service out of a total of 7,441 employees. The post of Chief Administrator was reserved for a British subject in consideration of the preponderant part taken by Great Britain in the China trade.

ment were being commandeered by provincial usurpers.[1] It was therefore in the interests of all parties that the administration of the Chinese maritime customs should not be disturbed, and the Chinese delegation made a formal declaration [2] that no action in that direction would be taken by the Chinese Government. The second fact was that the Chinese customs rate had been fixed by treaty at five per cent. *ad valorem* on exports and imports since 1843,[3] while the specific duties on most articles, calculated on the five per cent. basis, had been revised by international agreement in 1858,[4] 1902, and 1918.[5] Moreover, since 1869, China had concluded agreements with various Powers which gave them special tariff privileges beyond the general treaty arrangements. For example, in the Russo-Chinese Treaty of the 15th/27th April, 1869, it was provided that goods entering China from Russia by land were to be admitted at one-third less than the ordinary duties,[6] and the same reduction was afterwards granted to France, Japan, and Great Britain for goods imported by land and not by sea.[7]

Thus, before the Tariff Treaty of the 6th February, 1922, was negotiated, China was already committed by international agreements to a specific tariff based on a maximum rate of duty which was long out of date ; and while her sovereignty could not be impaired in principle by a further international regulation of these

[1] The seizure of assets belonging to the Maritime Customs Administration by local dictators seems to have occurred rarely, if ever, during the years 1920–3, though a large proportion (about three-eighths) of the Salt Revenue, which was also to some extent under foreign administration, was intercepted by local authorities. The customs funds were kept in certain custodian banks ; releases of surplus (after the various payments secured on these funds had been discharged) required sanction from the representatives of the Powers at Peking ; and they were only permitted for purposes beneficial to all China and/or for the account of the two rival Central Governments, on a percentage basis of 86·3 to the Peking Government and 13·7 to the Canton Government. The surplus, however, decreased considerably during this period (owing to a fall in the value of the tael, to the resumption of the Boxer Indemnity payments, and to other causes), and it was eventually earmarked by the Inspector-General as security for certain domestic loans of the Peking Government. This action caused much discontent in the South.

[2] Reported to the Plenary Conference on the 4th February, 1922.

[3] Under the Anglo-Chinese Commercial Treaty of the 8th October, 1843, which was rapidly followed by treaties on the same lines between China and other foreign Powers.

[4] Anglo-Chinese Agreement signed at Shanghai on the 8th November, 1858.

[5] The revision of 1918 was in pursuance of the Anglo-Chinese Treaty of 1902 (see below).

[6] This privilege was confirmed in the Russo-Chinese Agreement of 1896 for the construction of the Chinese Eastern Railway.

[7] To France on the 25th April, 1886, to Great Britain on the 1st March, 1894, and to Japan on the 22nd December, 1905.

matters more than it was already, she had much to gain by obtaining the consent of the other parties to the removal of obvious abuses. The Powers, on their side, were not inclined to be intransigent. In 1902, for example, an Anglo-Chinese Treaty [1] had been concluded in which China undertook to abolish all *likin* or internal customs while Great Britain agreed that a surtax of not more than one and a half times the amount of the existing duty should be paid by British subjects at the frontier if and when the abolition of the internal customs had been effected. On the other hand, the Powers were unwilling to surrender their treaty-rights in principle and to restore to China her tariff autonomy so long as the political anarchy in China continued. On the 16th November, 1921, the Chinese delegation had submitted (Point 5) that 'immediately, or as soon as circumstances permitted, existing limitations upon China's political, jurisdictional and administrative action should be removed', and later they proposed specifically that the principle of Chinese tariff autonomy should be accepted; that pending the grant of full autonomy a maximum rate of duties should be agreed to, with freedom to differentiate rates; and finally that the Chinese import tariff should be raised forthwith to twelve and one half ($12\frac{1}{2}$) per cent.[2] In a sub-committee, however, on which the British Empire delegation was represented by Sir Robert Borden, an agreement was reached, and on the 4th February, 1922, Senator Underwood, in reporting the text of the Tariff Treaty to the Conference, was able to announce that it had the approbation of the Chinese representatives.

The treaty first provided (Art. 1 and Annex) for the immediate convening of a Tariff Revision Commission at Shanghai, in order to bring the specific tariff up to an effective five per cent.; and next (Art. 2) for the convening of a special conference to arrange for the abolition of internal customs and the fulfilment of the correlative conditions in the commercial treaties of 1902 and 1903 in regard to the increase of the customs duties at the frontier (on both imports and exports) to twelve and a half per cent. In the meantime, the special conference was empowered to authorize a surtax of two and a half per cent., rising to five per cent. in the

[1] Signed at Shanghai on the 5th September, 1902, and commonly known as the Mackay Treaty. A similar treaty was signed by China with Japan on the 8th October, 1903, and with the United States on the same date. Compare the Anglo-Turkish Commercial Treaty of the 17th August, 1838, and the other treaties on that model between Turkey and other Powers.

[2] *Report of the Canadian Delegate*, p. 33.

case of luxuries at the conference's discretion, and to decide for what purposes the additional revenue was to be used (Art. 3). There was to be further revision of the customs schedule after four years, with periodic revisions thereafter at intervals of seven years (Art. 4). Effective equality of opportunity in regard to customs duties was assured to all contracting parties (Art. 5); and, in particular, the differentiation of rates on the land and sea frontiers was to be abolished (Art. 6). Provision was made (Art. 8) for the adhesion of non-signatories, and the present Treaty was declared (Art. 9) to override any conflicting stipulations in previous treaties, other than those according ' most favoured nation ' treatment.

These two Treaties were supplemented by the Conference Resolutions, several of which were of great importance. The Conference resolved, for example, on the 4th February, 1922, that there should be established in China a Board of Reference,[1] to which any questions arising in connexion with the execution of the Nine-Power Treaty on Principles and Policies might be referred for investigation and report—a measure which would effectively strengthen the Treaty—while the three resolutions regarding extra-territoriality, foreign postal agencies, and foreign armed forces in China were so many practical steps towards the realization of the first principle set out in Article 1. Under the first of these, which was adopted on the 10th December, 1921, a commission was to be set up, within three months of the adjournment of the Conference, to report on means of assisting the Chinese Government to effect such legislative and judicial reforms as would warrant the several Powers in relinquishing, either progressively or otherwise, their respective rights of extra-territoriality; and, while the eight Powers other than China on their side, and China on hers, were to be free to accept or reject all or any portion of the recommendations of the Commission, China undertook to co-operate in the work of this Commission and to afford to it every possible facility for the successful accomplishment of its tasks. Under the second Resolution (adopted on the 1st February, 1922) the four Powers possessing postal agencies in China agreed to abolish them (except in leased territories) by the 1st January, 1923, under certain reasonable conditions.[2] Under the third (adopted on the 1st February, 1922) it was arranged that

[1] The special conference provided for in Article 2 of the Tariff Treaty was to draw up a plan for the constitution of this Board.

[2] e. g. an assurance from the Chinese Government that the existing status of the foreign Co-Director-General of the Chinese Postal Service should not be altered.

a joint report should be prepared by three Chinese Commissioners, and by the diplomatic representatives at Peking of the other parties to the Conference, on foreign armed forces maintained in China without the authority of any treaty or agreement, with a view to their withdrawal whenever China should assure the protection of the lives and property of foreign nationals lawfully resident on her territory.

On the 1st February, 1922, the Conference passed three other resolutions of less importance regarding radio stations in China,[1] the unification of railways in China under Chinese control,[2] and the reduction of Chinese military forces (in which the pious hope was expressed 'that immediate and effective steps might be taken by the Chinese Government to reduce the aforesaid military forces and expenditures'); and one resolution of great potential value regarding existing commitments of China or with respect to China. The Powers other than China undertook at their earliest convenience to file with the Secretariat General of the Conference, for transmission to the participating Powers, two lists of documents, with a citation of a published text or a copy of the text itself in each case. The first list was to show all the international agreements of a given Power with China, or with any other Power or Powers in relation to China; the second was to show (as completely as possible) all contracts between nationals of that Power of the one part and the Chinese Government or local authorities of the other. Treaties and contracts concluded in future were to be notified within sixty days[3] by the Government concerned to other signatories or adherents.[4] The Chinese Government undertook reciprocal obligations. In the light of this publicity it was to be hoped that the charter of Chinese liberties embodied in the other Resolutions and Treaties adopted at the Washington Conference would not be rendered nugatory by secret diplomacy.[5]

It remains to indicate the extent to which these various instruments adopted at Washington were given effect before the close of the period under review. The Tariff Revision Committee duly met at Shanghai in 1922, and the duties were raised to an effective five

[1] Accompanied by two declarations.
[2] Accompanied by a statement from the Chinese delegation.
[3] That is, sixty days after conclusion in the case of treaties and after receipt of information of conclusion in the case of private contracts.
[4] The adhesion of Governments not represented at the Conference was provided for.
[5] This resolution carried out Point 3 in the Chinese delegation's statement of the 16th November, 1921, which had doubtless itself been inspired by Article 18 of the Covenant of the League of Nations.

per cent. The Post Office Resolution was also carried out, as prescribed, by the 1st January, 1923. On the other hand, on the 31st December, 1923, the two Nine-Power Treaties had not yet come into force ;[1] the Special Conference had not yet met, the Board of Reference had not yet been established, the Extra-Territoriality Commission had not yet been set up, and no international action had yet been taken regarding foreign armed forces in China. The armed forces in question, however, were in fact entirely Japanese, and the intention of the Resolution had been partially fulfilled by the voluntary withdrawal of the Japanese garrisons from Hankow, Shantung, and Northern Manchuria. In Southern Manchuria, the Japanese garrison still remained.

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[1] The French Government had withheld ratification owing to a controversy between France and China as to whether the Boxer Indemnity should be paid in gold or paper francs.

5. The Four-Power Treaty of the 13th December, 1921, relating to the Pacific

All the great achievements of the Washington Conference—the limitation of naval armaments, the effective shielding of China, and the peaceful restriction of the ambitions of Japan—would have been impossible without whole-hearted co-operation between Great Britain and the United States. The part played by Mr. Hughes and Mr. Balfour or their representatives, in the background, during the successful Chinese-Japanese conversations regarding Shantung was characteristic of the conciliatory and constructive influence exercised jointly by the British and United States delegations in every branch of the Conference's activities. Before the Conference assembled, however, the relations between the two principal English-speaking Powers had been seriously affected by the existence of the Anglo-Japanese Alliance, which had been originally contracted in 1902 and had been renewed on the 13th July, 1911. The Four-Power Treaty signed at Washington on the 13th December, 1921, substituted for the Anglo-Japanese Alliance a compact which brought Great Britain and the United States together without excluding Japan and with the addition of France,[1] and the date of signature—a month after the opening of the Conference—was significant. Technically, the negotiations leading up to the Four-Power Treaty, like the Shantung conversations between China and Japan, were conducted outside the Conference. Actually, they were an indispensable preliminary to the other negotiations which resulted in the Resolutions adopted and the Treaties signed on the 4th and 6th February, 1922. A settlement could not have been reached in the Far East if greater uncertainties and misunderstandings had not first been banished from the wider field of the Pacific, and naval armaments could not have been limited by agreement unless the leading naval Powers of the world had previously arranged to keep the peace in the danger-zone of possible naval conflict.

The ' deep concern ' [2] with which the people of the United States had come to view the Anglo-Japanese Alliance was due to the radical change in the international situation since the War of 1914.

[1] France found a place in this compact as a Power with important territorial holdings in the Far East and the Pacific who was also the principal neighbour and ally of Great Britain in Western Europe.

[2] This was the expression used by the United States delegates in their report, p. 44.

The Alliance had been made in 1902 and renewed in 1911 as a defensive measure against the aggressive policies of Russia and Germany, and as such it had not been out of harmony with the policy of the United States in regard to China. Since 1914, however, both Russia and Germany had ceased to be Great Powers in the Far East; Japan had taken possession of all their former points of vantage in Manchuria, Shantung, and the Pacific Islands north of the Equator; and she had shown herself more aggressive than either of her predecessors. The old danger had disappeared, a new danger had arisen, and yet the Anglo-Japanese Alliance was still in existence. For what purposes was it being maintained and against whom was it now directed?

While these questions were being asked in the United States with growing resentment and alarm, the continuance of the Alliance was being viewed in Great Britain with growing embarrassment. It was true that the sensitiveness of American opinion was hardly reasonable, for the United States had definitely been excluded from the scope of hostile action under the Alliance Agreement. During the twelve months that preceded the opening of the Washington Conference, public and authoritative declarations to this effect were made several times in Great Britain,[1] and the correct answer to questions regarding the present purpose of the Alliance was that it had become an anachronism. In fact, owing to the changes produced by the War, the Alliance no longer served any major British interest, and yet it was disturbing the relations of the United Kingdom not only with the United States (with whom Great Britain ardently desired to cultivate closer relations, from the strongest motives of sentiment and interest), but with the British Dominions in the Pacific, who agreed with the United States in their attitude towards Japan. At the same time, Great Britain could not, in honour, throw over an ally who had kept her engagements during a great historical crisis, simply because the alliance had served its turn (and served it admirably) from the British point of view; nor was it in her interest to conciliate the English-speaking peoples of the Pacific at the price of parting company with Japan in anger, for Great Britain was also an Asiatic Power and could not afford to make a mortal enemy among the civilized peoples of the Far East.

[1] e. g. in a statement by Lord Northcliffe in *The Times* of the 31st December, 1920; in a speech by Lord Grey of Fallodon at the National Liberal Club on the 22nd February, 1921; and in an answer to a question from Lt.-Col. Sir F. Hall in the House of Commons on the 1st March, 1921.

The problem was discussed at the Imperial Conference held in London during June, July, and August, 1921.[1] An opening had already been given to the British Government for raising the question of the Agreement of the 13th July, 1911, with the Japanese Government by the fact that both parties had signed the Covenant of the League of Nations. By the terms of Article 20, the Covenant automatically abrogated any incompatible international obligations; there were points in the Anglo-Japanese Agreement which were 'not entirely consistent with the letter of the Covenant'; and on the 8th July, 1920, the two Governments jointly informed the League that they recognized that 'if the said Agreement be continued after July, 1921, it must be in a form which is not inconsistent with that Covenant'. On the 7th July, 1921, while the Imperial Conference was sitting in London, the British and Japanese Governments made a second joint notification to the League, to the effect that, in future, so long as the Agreement remained in force, they were agreed that the procedure of the Covenant should prevail over that of the Agreement in any conflict of obligation under the two instruments. The Anglo-Japanese Agreement, however, continued in force automatically, by the terms of Article 6, unless it were denounced (in which case it was to run for twelve further months from the date at which notice of denunciation had been given); and during the session of the Imperial Conference in the summer of 1921 the Lord Chancellor, who was consulted on the point, gave the opinion that the joint notification to the League on the 8th July, 1920, did not constitute a notice of denunciation in the sense of Article 6. Since this view was also taken by the Japanese Government, the parties appeared in Washington on the 12th November, 1921, with the problem of the Anglo-Japanese Alliance still unsolved.

The settlement of this question within the next four weeks was to the credit of all parties, and particularly perhaps of the Japanese. Japanese statesmen had the discernment to realize that no diplomatic instrument could stand permanently against the mutual desire of the British and American peoples to work together under the new conditions of the world, and they also had the wisdom to accommodate themselves to this fact in good time. Great Britain could not be held to the Agreement against her will, for the text

[1] For a record of the proceedings see *Cmd.* 1474 of 1921, from which passages of the British Prime Minister's speech in the House of Commons on the 11th July are quoted in the *Report of the Canadian Delegate,* Appendix 2.

itself (Art. 6) provided a procedure for denouncing it, and they saw that, if the British Government were forced to have recourse to this procedure, the Alliance would terminate in a manner humiliating to Japan and would probably leave her in isolation ; whereas, if they voluntarily removed the moral obstacle which they alone could remove, and so cleared the way for an Anglo-American understanding at Washington, they would be able to secure greater compensations in return for a tactful gesture than they could ever expect again if they let this opportunity pass. Thus, in the Plenary Session of the 10th December, 1920, the United States delegate, Senator Lodge, was able to announce the terms of a Treaty between the United States, the British Empire, France, and Japan relating to their Insular Possessions and Insular Dominions in the Pacific Ocean, and the instrument was signed by the four parties on the 13th.

The full text of this short but vitally important document is printed in the Appendix to the present volume, and its contents may therefore be indicated quite briefly here. The parties mutually agreed to respect their rights in relation to their insular possessions and insular dominions in the Pacific Ocean ; to hold a joint conference to consider and adjust any controversy arising between any of them out of any Pacific question (Art. 1) and to consult one another in case of danger from any other Power (Art. 2). The Treaty was to remain in force, in the first instance, for ten years from the date of taking effect (Art. 3) ; and, finally, upon the deposit of ratifications at Washington the Anglo-Japanese Agreement of the 13th July, 1911, was to terminate (Art. 4)—a provision which was, of course, the essence of the new instrument.

This Four-Power Treaty was accompanied by a declaration (signed on the same date by the same plenipotentiaries) that, while the Treaty was to apply to the mandated islands in the Pacific Ocean, it was not to be deemed an assent on the part of the United States to the mandates or to preclude agreements between the United States and the mandatory Powers respectively in relation to the mandated islands. A controversy was, in fact, taking place at this time between the United States and Japan regarding American rights in the ex-German island of Yap, which had been mandated to Japan, together with the other ex-German islands north of the Equator, by the Principal Allied Powers ; and the Four-Power Treaty was therefore distinctly strengthened when an agreement on this controversial question was reached by the American and Japanese delegates and was confirmed in a Treaty signed on the

11th February, 1922, five days after the Washington Conference had come to an end.[1]

A second clause in the declaration of the 13th December, 1921, laid it down that the controversies referred to in the second paragraph of Article 1 of the Treaty did not include questions which were within the exclusive domestic jurisdiction of the respective Powers according to international law—'immigration and tariff matters' being mentioned as illustrations of such domestic questions by the United States delegates in their report.

On the 4th and the 6th February, 1922, each of the signatories of the Four-Power Treaty made an identic communication to the Governments of the Netherlands and Portugal respectively, assuring them of their firm resolution to respect their rights in relation to their insular possessions in the Pacific, notwithstanding the fact that they were not included in the Treaty.

Before the Conference closed, it became apparent that public opinion in both Japan and the United States was unfavourable (from very different points of view) to the inclusion of the main islands of Japan in the reference of Article 1 of the Four-Power Treaty, and accordingly a supplementary Treaty was signed by the same four Powers on the 6th February, 1922, in which the particular Japanese islands to which the Treaty of the 13th December was to apply were enumerated and the four main islands implicitly excluded by omission from the list.[2]

It will be observed that, while the geographical scope of the Four-Power Treaty was thus somewhat narrowly restricted, the scope of the obligations undertaken by the parties was also limited to consultation; and, in introducing the Treaty to the Conference, Senator Lodge emphasized the point that there was no provision for the use of force and no latent military or naval sanction. These formal limitations, however, were likely to increase and not to diminish the efficacy of the Treaty, and its probable effect was estimated as follows by Sir Robert Borden:

> While technically the Quadruple Pacific Treaty is carefully designed to apply only to the Islands in the Pacific and is further limited in this respect by the Supplementary Agreement, it may be doubted whether

[1] For the Yap Controversy and Treaty see *H. P. C.*, vol. vi, Ch. VI, Part 4, § 11, and *Report of the American Delegation* (Senate Document No. 125), pp. 85–7.

[2] It is to be noted that this indirect exclusion of the four main islands of Japan did not affect the position of Australia and New Zealand, the main islands of the British Commonwealth in the Pacific, which continued to be included in the reference of Article 1 of the original Treaty.

> for the practical purposes of the future these features will prove to be of great significance. . . . It may be anticipated that it will become in practice available for the settlement of any threatened rupture in this region, even though the controversy should not strictly or narrowly speaking involve rights in relation to the Islands designated, provided always that there exists at the time a desire on all sides to seek peaceable consultation rather than war.

The four instruments described above substantially fulfilled the various objects of the statesmen who negotiated them. They removed the serious obstacle to an understanding between Great Britain and the United States ; they met the principal objections of the United States to the Japanese mandate in the Pacific north of the Equator ; they safeguarded the *amour propre* of Japan and saved her from the danger of eventual isolation. In order, however, to appreciate the full extent of the advantages which Japan secured by her statesmanlike conduct in this great transaction, it is necessary to take into account the terms of Article 19 of the Five-Power Treaty of the 6th February, 1922, for the Limitation of Naval Armaments, under which the United States, the British Empire, and Japan agreed to maintain the *status quo*, with regard to fortifications and naval bases, in the respective territories and possessions which they held, or might acquire, in certain areas. Under Article 19, this restriction was to apply to all present or future insular possessions of the United States in the Pacific, including the Aleutian Islands, except for the Hawaiian Group and islands adjacent to the coasts of the United States, Alaska, and the Panama Canal Zone ; to Hong Kong and all present or future insular possessions of the British Empire in the Pacific east of Meridian 110° except the Commonwealth of Australia and its territories, New Zealand, and islands adjacent to the coast of Canada ; and to certain specified islands [1] belonging to Japan (excluding her main islands and Southern Sakhalin) together with any islands which she might acquire in the Pacific thereafter.

An examination of the map will show that, while this Article left the British Empire free to enlarge its naval base at Singapore, it also secured Japan against the establishment of a first-class naval base by either of the other two principal naval Powers within striking distance of her main islands—short of some revolutionary increase in the maximum distance from their base at which warships

[1] These included the Kurile Islands, which corresponded to the Aleutian Islands on the American side. The islands mandated to Japan were not mentioned, because the fortification of them was forbidden by the terms of the mandate, but this condition was reproduced in Article 4 of the Japanese-American Treaty of the 11th February, 1922.

were capable of operating effectively. The result was to make the defensive position of Japan in the Western Pacific absolutely impregnable by sea, and thus not only to safeguard Japan herself against any attack or invasion but to assure one of the chief objects of her policy—the object for which she had been building up her great navy—which was the uninterrupted security of her communications in wartime with her continental possessions and with China. On the other hand, Article 19 left Hong Kong and the Philippines at the Japanese navy's mercy; so that, in a war (*absit omen*) with the British Commonwealth or the United States, Japan was now certain to gain the valuable advantage of the first success.

For Japan, this one Article went far to compensate for all the withdrawals which she had been compelled to make in other directions, of which her renunciation of the Anglo-Japanese Alliance was one. The Alliance actually came to an end on the 17th August, 1923, the date on which the ratifications of the Four-Power Treaty were deposited. 'At any rate you gave the Alliance a splendid funeral!' a Japanese diplomatist remarked to one of his British colleagues at the Washington Conference, and the Englishman is not reported to have disagreed.

6. The Five-Power Treaty of the 6th February, 1922, for the Limitation of Naval Armament

Great ideas and achievements are often simple, and this simplicity of greatness distinguished the plan for the limitation of naval armament which was laid before the Washington Conference by Mr. Hughes [1] at the first Plenary Session on the 12th November, 1921, and which was substantially embodied in the Treaty signed by the United States, the British Empire, France, Italy, and Japan on the 6th February, 1922. Amid all the detail of naval technicalities, the essential issues stood out clearly during the negotiations and in the final text.

The initiative in these negotiations could only come from the Government of the United States, because the United States was in the act of becoming the leading naval Power in the world.[2] She

[1] For the text of Mr. Hughes's statement see *Report of the Canadian Delegate*, Appendix 5.

[2] See Arthur H. Pollen: *Disarmament in its relation to the Naval Policy and the Naval Building Program of the United States* (*International Conciliation* No. 161. New York, 1921, American Association for International Conciliation).

had emerged from the War of 1914 so much stronger financially than the British Empire and Japan that, if she chose, she could not only pass them in the race but could maintain and increase her lead after she had won it. As the party who stood to gain by the continuance of naval competition, she was therefore able to take the most effective action for bringing it to an end; but the initiative which she took was powerfully seconded by the British Empire. In the summer of 1921, when the intention of the United States Government to call a conference at Washington had already been announced, the British Imperial Conference then sitting in London passed a resolution [1] which implied acceptance of the standard of equality between the combined naval forces of the British Commonwealth and the navy of any other Power; and this responsive gesture undoubtedly contributed towards the success of the negotiations which followed in Washington next winter.

The overwhelming effect produced upon the Conference by the speech in which Mr. Hughes unfolded the American plan has been described in the introduction to this Part of the present volume. The breadth of view which the plan revealed and the magnitude of the renunciation which America offered not only took the Conference by storm but captured the imagination of the world. It 'at once evoked from the other delegates expressions of assent in principle',[2] and the difficulties which arose in the course of the subsequent discussions, though serious in themselves, were insignificant by comparison with the main principles which had at once become common ground.

> The core of the difficulty [said Mr. Hughes] is to be found in the competition in naval programs, and, in order appropriately to limit naval armament, competition in its production must be abandoned. Competition will not be remedied by resolves with respect to the method of its continuance. One program inevitably leads to another, and if competition continues its regulation is impracticable. There is only one adequate way out and that is to end it now.

The plan which he submitted was based upon four general principles:

> 1. That all capital shipbuilding programs, either actual or projected, should be abandoned;
> 2. That further reduction should be made through the scrapping of certain of the older ships;

[1] Text in *Report of the Canadian Delegate* p. 22 (quoted from *Cmd.* 1474 of 1921).

[2] *Report of the American Delegation*, p. 19.

3. That, in general, regard should be had to the existing naval strength of the Powers concerned ;

4. That the capital ship tonnage should be used as the measurement of strength for navies and a proportionate allowance of auxiliary combatant craft prescribed.

The ' existing naval strength ', which was to be taken as a starting-point for limitation and reduction by the terms of Point 3, was to include ' the extent of construction already effected in the case of ships in process ' ; and this definite and ascertainable quantum was to give the ratio between the several Powers to the exclusion of ratios based on such hypothetical factors as the estimated needs of a given Power for its naval defence or paper programmes for which there was nothing to show in the way of construction. This starting-point being assumed, the United States Government proposed for its own part to comply with Points 1 and 2 by scrapping fifteen capital ships under construction and fifteen of its older existing battleships, with an aggregate tonnage (including that of ships under construction, if completed) of 845,740 tons ; and it suggested that the British Empire [1] and Japan (but not France and Italy) should carry out reductions in the same ratio on the basis of ' existing strength ' as defined above. It was suggested in detail that the British Empire should scrap twenty-three ships (existing or under construction [2]) with an aggregate tonnage of 583,375 tons, and Japan seventeen, with an aggregate of 448,928 tons. ' Thus under this plan there would be immediately destroyed, of the navies of the three Powers, sixty-six capital fighting ships, built and building, with a total tonnage of 1,878,043.' [3] When these reductions had been made, the American navy would consist of eighteen capital ships with an aggregate tonnage of 500,650 tons, the British of twenty-two with an aggregate of 604,450, and the Japanese of ten, with an aggregate of 299,700. The ships belonging to the three Powers which were respectively to be scrapped and retained were considered individually in the American plan and, in setting them off against each other, their age as well as their tonnage was taken into consideration.

[1] For the purposes of these negotiations the naval forces belonging to the several members of the British Commonwealth were treated as a single unit, but the United Kingdom and the Dominions of course remained entirely free to decide among themselves what proportion of the maximum strength allowed to them collectively should be assigned to each and what the relations between their respective contingents should be.

[2] The four new ' Hoods ' included in this total had not yet been laid down, but money had already been spent upon them and the designs had been completed.

[3] Without including the four ' Hoods '.

With regard to replacement, the proposals were as follows :

1. That it be agreed that the first replacement tonnage shall not be laid down until ten years from the date of the agreement ;
2. That replacement be limited by an agreed maximum of capital ship tonnage as follows :

	Tons.
For the United States	500,000
For Great Britain	500,000
For Japan	300,000

3. That, subject to the ten-year limitation above fixed and the maximum standard, capital ships may be replaced when they are twenty years old by new capital ship construction ;
4. That no capital ship shall be built in replacement with a tonnage displacement of more than 35,000 tons.

It remains to consider the difficulties which arose when this American plan was examined by the delegates of the three principal naval Powers. The discussion was confined to these Powers in the first instance, since the United States Government had not proposed to insist upon ' existing strength ' as the basis for reduction in the cases of France and Italy—neither of whom ' could be expected to make the sacrifices which necessarily would lie at the basis of an agreement for limitation, in view of the extraordinary conditions, due to the World War, affecting their naval strength '.

In this first and most important discussion *à trois*, two objections were raised by Japan. She asked for a replacement ratio of 7–10–10 instead of 6–10–10, that is, for a more favourable ratio than was due to her on the basis of ' existing strength ' as defined in the American proposal ; and she also contested that definition which included ships in course of construction ' to the extent to which construction had already progressed at the time of the convening of the Conference '. To this the United States delegates answered, first, that ' it was impossible to terminate competition in naval armament if the Powers were to condition their agreement upon the advantages they hoped to gain in the competition itself ', and secondly, ' that the American Government, while ready to sacrifice, in accordance with the terms of its proposal, its battleships and battle cruisers in course of construction, was not willing to ignore the percentage of naval strength represented by over $300,000,000 expended on the unfinished ships.' The detailed statement of the work already done upon these American ships in course of construction was sufficiently impressive to induce the Japanese delegates to give way ; but, in return, they obtained the assent of the other two Powers to the maintenance of the *status quo* in regard to fortifications

and naval bases in certain of their respective insular possessions in the Pacific ; and, in the final text of the Treaty, this agreement was incorporated as Article 19.[1]

The Japanese delegation also objected to scrapping their latest and finest ship, the *Mutsu*, which the American experts had marked down for destruction as being still incomplete, though only to the extent of about two per cent. The Japanese contended, first, that the *Mutsu* had actually been completed before the Conference met, and secondly, that to scrap her was a political impossibility owing to the pride taken in her by the Japanese nation. Eventually it was agreed that Japan should keep the *Mutsu* ; and that, in order to maintain the agreed ratio, the United States should complete two ships under construction which were to have been scrapped and should then scrap two older ships which were to have been retained. This alteration committed the United States to a comparatively slight loss of time and money, but a greater sacrifice of both was required from the British Empire. The four British 'Hoods' already designed had all been planned to exceed the 35,000 tons which was the maximum allowed for any single ship in the American proposals, so that, in order to balance the retention of the *Mutsu* without departing from these proposals, the British Empire would still have to abandon the construction of those four ships, and could only make up the balance by designing and laying down two new ships not exceeding the maximum displacement.[2] By consenting to this sacrifice, the British delegation rendered it possible to reconcile the maintenance of the American proposals with the retention of the *Mutsu*. The readjustment which was consequently embodied in the Treaty worked out as follows : for the time being, the United States still retained eighteen capital ships with an aggregate tonnage of 500,650 ; the British Empire twenty-two, with an aggregate of 580,450 (instead of 604,450) ; [3] and Japan ten with an aggregate of 301,320 (instead of 299,700).[4] The maxima for replacement tonnage were raised at the same time from 500,000 tons for the United States, 500,000 for the British Empire, and 300,000 for Japan, to 525,000, 525,000, and 315,000 respectively ; but the original replacement ratio of 10–10–6 was not affected.

After the three principal naval Powers had thus arrived at a

[1] For details see VI (iv) 5 above.

[2] After the completion of these two new ships, four old ships were to be scrapped which would otherwise have been retained.

[3] The *Thunderer* being substituted for the *Erin*.

[4] The *Mutsu* being substituted for the *Settsu*.

detailed agreement as far as capital ships were concerned, the next step was to extend the agreement to France and Italy. 'The scheme of reduction accepted by the United States, Great Britain, and Japan involved the scrapping of capital ships to the extent of approximately forty per cent. of the existing strength. It was realized that no such reduction could be asked of either France or Italy, and that the case of their navies required special consideration.' [1] The 'existing strength' of France was only 164,500 tons if pre-Dreadnoughts were omitted from the total and were marked down for scrapping without replacement, as had been done in the case of the United States, the British Empire, and Japan. To reduce this figure in the proportion in which the 'existing strength' of the United States was to be reduced would bring down the French maximum for capital ships to 102,000 tons, which was considered impracticable. It was therefore suggested that the replacement maximum for France should be 175,000 tons, which was slightly more than her existing strength in Dreadnoughts, but less than her existing total of 221,000 tons if pre-Dreadnoughts were counted in. The French delegates at first asked for a replacement maximum of 350,000 tons (or more than twice their existing strength in Dreadnoughts); but 'this was deemed to be excessive as part of a plan for the limitation of armaments', and France eventually accepted the maximum of 175,000 for capital ships, with the serious reservation that she would not consent to a proportionate limitation of her auxiliary craft on the lines suggested in Point 4 of the original American plan. As for Italy, she concentrated her efforts upon securing equality with France, and, when this had been conceded in principle, she accepted the suggested replacement maximum of 175,000 tons without demur [2]—a gesture which no doubt influenced the eventual decision of the French Government to abandon its first and much higher demand.

Thus an agreement was reached between all the five Powers concerned regarding the proportionate limitation of capital ships, on terms which departed very little from the original American proposals; and, from the financial point of view, at any rate, this was the essential point to be gained. The financially weaker Powers, however, were not so ready to cut down their auxiliary craft, in

[1] *Report of the American Delegation*, p. 24.

[2] This was, of course, entirely in Italy's interest, since her existing strength was only 112,900 tons in Dreadnoughts and 182,800 in Dreadnoughts and pre-Dreadnoughts together, as against the 164,500 and 221,000 tons of France.

which they might hope to compete with the principal naval Powers on less unequal terms ; and the French reservation mentioned above eventually rendered it impossible to include any provisions for limiting auxiliary craft in the Treaty. In the American plan, definite maximum replacement tonnages had been suggested for the surface auxiliary craft and the submarines of the three principal Powers as well as for their capital ships ; but the maximum figures for each upon which France insisted were not only double and treble the figures to which she was entitled on the capital ship ratio of 10–10–6, –3·5–3·5, but ' would have involved for the other Powers an extraordinary increase over their existing fleets and would have been wholly inconsistent with the purpose of the Conference '. [1] It was therefore found preferable to leave auxiliary craft out of account in drafting the Treaty.[2]

The text of the Treaty, with the contents and omissions indicated above, was divided into three chapters : I. General Provisions relating to the Limitation of Naval Armament ; II. Rules relating to the Execution of the Treaty ; and III. Miscellaneous Provisions. The second chapter was of a technical character, and the twenty-four Articles of the other two chapters need not be analysed here, since they are printed in full at the end of the volume. The draft of the Treaty was adopted in Committee on the 31st January, 1921, signed on the 6th February, 1922, and brought into force by exchange of ratifications in Washington on the 17th August, 1923.

Meanwhile, as far as submarines were concerned, the British delegation at the Conference had not been content with the American proposal for limitation but had advocated their abolition in the following resolution, submitted on the 22nd December, 1921 :

> The British Empire Delegation desires formally to place on record its opinion that the use of submarines, whilst of small value for defensive purposes, leads inevitably to acts which are inconsistent with the laws of war and the dictates of humanity, and the delegation desires that united action should be taken by all nations to forbid their maintenance, construction, or employment.[3]

This resolution was opposed not only by France, Italy, and Japan, but by the United States, whose delegates argued that submarines might legitimately be used against combatant ships and as scouts.[4]

[1] *Report of the Canadian Delegate*, p. 22.

[2] The maximum tonnage for any single non-capital ship or non-aircraft carrier was, however, limited to 10,000 tons by Article 11.

[3] *Op. cit.*, pp. 22–3.

[4] See the quotation from the Report of the Advisory Committee to the United States Delegation in the *Report of the American Delegation*, pp. 34–6.

On the other hand, the illegitimate use of submarines was condemned, and sanctions against persons guilty of it were proposed, in three Resolutions moved on the 28th December, 1921, by Mr. Elihu Root, which were adopted [1] by the Naval Committee of the Conference on the 5th and 6th January, 1922,[2] and were afterwards incorporated in a Five-Power Treaty, signed on the 6th February, 'for the protection of the lives of neutrals and noncombatants at sea in time of war, and to prevent the use in war of noxious gases and chemicals.'

The first Article of this Treaty declared that the following rules were 'to be deemed an established part of international law':

> 1. A merchant vessel must be ordered to submit to visit and search to determine its character before it can be seized.
>
> A merchant vessel must not be attacked unless it refuse to submit to visit and search after warning, or to proceed as directed after seizure.
>
> A merchant vessel must not be destroyed unless the crew and passengers have been first placed in safety.
>
> 2. Belligerent submarines are not under any circumstances exempt from the universal rules above stated; and if a submarine cannot capture a merchant vessel in conformity with these rules the existing law of nations requires it to desist from attack and from seizure and to permit the merchant vessel to proceed unmolested.

All other civilized Powers were invited (Art. 2) by the signatories to express their assent to the foregoing declaration. Any person, in the service of any Power, who violated any of these rules, whether or not he was under orders of a governmental superior, was to be deemed to have violated the laws of war and to be liable to trial and punishment as if for an act of piracy (Art. 3). The prohibition of the use of submarines as commerce-destroyers was accepted by the signatories as henceforth binding as between themselves, and the adhesion of all other nations was invited (Art. 4). The same action was taken in regard to 'the use in war of asphyxiating, poisonous or other gases, and all analogous liquids, materials, or devices' (Art. 5).[3]

[1] With two reservations by the Italian delegate, Signor Schanzer.

[2] On the 30th December, 1921, during the discussion of these Resolutions, the British delegate, Lord Lee of Fareham, drew attention to a magazine article by a French naval officer, Commandant Castex, in which the writer appeared to approve the use made of submarines by the German Government during the War of 1914. It was subsequently represented that in this article Commandant Castex was not approving, but merely expounding, the German point of view, and the incident was closed by a formal assurance on the French Government's part that he had not written the article officially but had been expressing 'une opinion libre qui n'engage que son auteur' (*Documents diplomatiques; Conférence de Washington*, Nos. 95, 103, and 107).

[3] By the close of the year 1923 this Treaty had not yet come into force because it had not yet been ratified by the French Government.

In regard to aircraft, the Conference resolved on the 9th January, 1922 (on a report, dated the 30th December, 1921, from an expert committee) that it was 'not at present practicable to impose any effective limitations upon the numbers or characteristics of aircraft, either commercial or military'.

Thus the Washington Conference secured the limitation of armaments up to the various limits of possibility which were set, by the circumstances of the time, in the case of the different arms. It was disappointing, no doubt, that in the case of land forces,[1] aircraft, submarines, and auxiliary surface craft no agreement on limitation of armaments was found to be possible; but even in these fields much was accomplished by the restriction of methods of warfare which was secured in the second Five-Power Treaty described above; and the door was kept open for a further advance in this direction by a Conference Resolution of the 4th February, 1922, providing for the establishment of a commission to examine and report on the laws of war.[2] Meanwhile, the success of the Conference in arresting the competition in capital ships was a concrete achievement of the highest order, and this produced immediate psychological effects. Before the Conference came to an end, the previous tension had been relaxed, the most dangerous suspicions had been dissipated, and the future settlement of outstanding issues in the Far East and the Pacific had been rendered easier by the creation of a new atmosphere of goodwill.

This general change for the better was a common gain to all the Great Powers and lesser states with interests in the Pacific area; but none perhaps stood to gain so much as the British Commonwealth, because none had so much to lose by the breaking of the storm which still loomed upon the horizon. That profound conflict of interest between the congested populations of India and the Far East and the new nations of West European origin which had established themselves in the under-populated countries round the other borders of the Pacific and the Indian Ocean was a problem of foreign policy for most of the parties concerned. For the British Commonwealth, which embraced India on the one hand and Kenya Colony, South Africa, and Australia on the other, it was also a

[1] See the introduction to Part VI.

[2] By a second Resolution of the same date, the rules and declarations already adopted by the Conference in regard to submarines, noxious gases, and chemicals were excluded from the reference of this commission. The commission duly met at The Hague in January, 1923, and its report was laid before the Parliament of the United Kingdom in January, 1924. (*Cmd.* 2201 of 1924.)

domestic problem, and therefore if ever the storm broke the very existence of the British Commonwealth might be endangered. Accordingly, British statesmen viewed the psychological effects of the Washington Conference with deep satisfaction, but at the same time the maintenance and strengthening of this new spirit of good-will in the Pacific did not depend only, or even chiefly, upon the people of the United Kingdom. Great Britain lay remote from the Pacific—an *Ultima Thule* off the distant coasts of Western Europe—and the principal English-speaking Power on the spot was the United States. In the last resort the policy of the United States was likely to be the determining factor in the Pacific problem; and the statesmanship of Mr. Hughes, which had triumphed in the international negotiations of 1921–2, was to suffer a set-back in the domestic conflict between the Administration and the Senate when a new Restriction of Immigration Act was drafted in 1924. This next chapter in the story will be dealt with in the *Survey of International Affairs for* 1924.

APPENDICES

I. Letter from M. Louis Dubois, former President of the Reparation Commission, published in the Paris *Matin* of the 20th September, 1924

PUTEAUX, le 18 septembre.

MONSIEUR LE RÉDACTEUR EN CHEF,

Le *Matin* de ce jour, dans un article du plus poignant intérêt, sous sa forme humoristique, après avoir rappelé que le transfert ultrarapide des milliards de francs-or exigés par la Prusse en 1871 n'avait soulevé aucune des objections qu'on oppose au transfert des sommes aujourd'hui dues par l'Allemagne, ajoute :

' De même, en 1921, à Londres, M. Briand et M. Lloyd George, qu'accompagnaient une formidable cohorte de techniciens ou d'experts, ont fixé à 132 milliards de marks-or la dette allemande et aucun technicien, aucun expert n'a fait alors observer que le transfert d'un seul de ces 132 milliards était pratiquement impossible.'

Voulez-vous me permettre, à cette occasion, de préciser les conditions dans lesquelles a été fixé en 1921 le montant de la dette de réparations de l'Allemagne, pour que ne s'accrédite pas l'erreur consistant à croire que cette dette a été fixée par les Gouvernements alliés, ce qui n'aurait pu se faire qu'en violation du Traité de Versailles.

Le Traité spécifie, en effet (Art. 233) que le montant des dommages pour lesquels réparation est due par l'Allemagne sera fixé par une commission interalliée, dite Commission des Réparations, dont il détermine la composition et les pouvoirs.

Conformément au Traité, c'est bien la Commission des Réparations, reconnue ' irrévocablement ' par le Gouvernement allemand comme ayant ce pouvoir, qui, par décision prise à l'unanimité, après mûr examen, le 27 avril 1921, fixa le montant de la dette-réparations de l'Allemagne à 132 milliards de mark-or.

Faut-il ajouter que cette décision, contrairement à certaines assertions, fut prise par la Commission en toute indépendance ; que notamment le Délégué de la France, président de la Commission, n'eut à subir à cet égard, ni directement ni indirectement, aucune pression du Gouvernement français ?

Ce qui a pu accréditer l'erreur que je me permets de vous signaler, c'est le fait que les Gouvernements alliés réunis à Londres du 30 avril au 5 mai 1921 s'y occupèrent, en effet, de la dette-réparations de l'Allemagne, spécialement de l'état de payements dont l'établissement incombait cependant à la Commission des Réparations comme il est dit à l'Article 233 du Traité.

Mais là encore, ce serait une erreur de croire que l'état de payements, tel qu'il a été notifié à l'Allemagne le 5 mai 1921, a été ' établi ' par les Gouvernements, autrement dit par MM. Briand, Lloyd George et consorts.

Ceux-ci, à l'instigation du Gouvernement britannique, avaient bien

élaboré à Londres un état de payements, avec le concours, sans doute, de la ' formidable cohorte de techniciens et d'experts ' dont parle votre collaborateur, mais sans que fussent consultés ni même avisés les seuls techniciens et experts qualifiés, c'est-à-dire les membres de la Commission des Réparations et leurs collaborateurs.

Ce n'est qu'une fois terminée cette élaboration par les Gouvernements alliés, que les membres de la Commission furent convoqués d'urgence à Londres, où ils arrivèrent le 4 mai à 10 heures 30 du matin.

Le Président fut aussitôt avisé qu'une réunion du Conseil Suprême devait avoir lieu à 14 heures, dans laquelle M. Lloyd George remettrait à la Commission l'état de payements élaboré par les Gouvernements alliés pour que celle-ci le notifiât le jour même, pour exécution, au Gouvernement allemand.

A quoi le Président répondit qu'il lui serait impossible de déférer à pareille invitation, absolument contraire au Traité.

Le document fut alors remis à titre purement documentaire à la Commission, qui s'en inspira dans la mesure où le lui permettait le Traité, pour établir le texte définitif de l'état de payements notifié par elle à l'Allemagne au siège de la Commission à Paris le 5 mai 1921.

Il m'a semblé que ces choses devaient être dites non seulement pour rétablir la vérité, mais pour empêcher que l'Allemagne ne prenne un jour prétexte d'une illégalité pour se soustraire à ses obligations.

Je n'entends pas du reste infirmer par là, en quoi que ce soit, la valeur intrinsèque de votre article sur le ' microbe du transfert ', l'opinion que vous y exprimez si humoristiquement étant tout à fait conforme à la mienne.

Louis Dubois,
Député de la Seine,
ancien Président de la Commission
des Réparations.

II. The Union of Bessarabia with Rumania

(1) Statement issued by the Supreme Council on the 3rd March, 1920

The Principal Allied Powers have hitherto found themselves unable to make any definite decision on the Bessarabian question, both because they considered it a part of the general Rumanian question on which difficulties with the former Rumanian Government had impeded a settlement and because they had hoped that it would be found possible to bring about a friendly arrangement between Rumania and Russia. There appears to the Principal Allied Powers no reason any further to delay a settlement. The Rumanian Government have shown proof of their desire to settle in the interest of Rumania and Europe generally the outstanding questions at issue, and have submitted to the ruling of the Supreme Council on the question of the withdrawal of their troops from Hungary, relying on the assurance of the Principal Allied Powers. The Allied Governments, moreover, feel that in the best interest both of Rumania and neighbouring countries the Bessarabian question should no longer be left undecided.

After taking into full consideration the general aspirations of the population of Bessarabia and the Moldavian character of that region from the geographical and ethnographical points of view, as well as the historic and economic arguments, the Principal Allied Powers pronounce themselves, therefore, in favour of the reunion of Bessarabia with Rumania, which has now been formally declared by the Bessarabian Representatives, and are desirous to conclude a treaty in recognition of this as soon as the conditions stated have been carried out. They consider that in this reunion the general and particular interests of Bessarabia should be safeguarded, more especially as regards its relations with the neighbouring countries, and that the rights of minorities in it should be guaranteed on the same terms as [the rights of] those residing in other parts of the Rumanian Kingdom. The Principal Allied Powers reserve the right to refer any future difficulties that might arise from either of these two questions to the arbitration of the League of Nations.

(2) Extracts from Treaty between the Principal Allied Powers and Rumania respecting Bessarabia, signed at Paris on the 28th October, 1920

The British Empire, France, Italy, Japan, the Principal Allied Powers, and Rumania,

Whereas in the interests of general peace in Europe it is of importance to assure henceforth a sovereignty over Bessarabia in accordance with the aspirations of the population, and guaranteeing to its racial, religious and linguistic minorities the protection which is due to them ;

Whereas from geographic, ethnographic, historic and economic points of view, the reunion of Bessarabia to Rumania is fully justified ;

Whereas the population of Bessarabia has given proof of its desire to see Bessarabia reunited to Rumania ;

In fine, whereas Rumania, of her own free will, desires to give positive guarantees of liberty and justice to the inhabitants of the former Kingdom of Rumania, and also to those of the territories newly transferred, irrespective of race, religion or language, in conformity with the Treaty signed at Paris on the 9th December, 1919 :

Have decided to conclude the present Treaty and . . . [the signatories] have agreed on the following stipulations :

Article 1

The High Contracting Parties declare that they recognise the sovereignty of Rumania over the territory of Bessarabia comprised within the present frontier of Rumania, the Black Sea, the course of the Dniester from its mouth to the point where it is intersected by the former boundary between Bukovina and Bessarabia and that old boundary.

Article 2

A Commission consisting of three members, one of whom shall be appointed by the Principal Allied Powers, one by Rumania and one by the Council of the League of Nations on the part of Russia, shall be constituted within fifteen days following the coming into force of the present Treaty, in order to trace on the spot the new frontier line of Rumania.

[Articles 3 to 6, which deal with the protection of minorities and the acquisition of Rumanian nationality, are omitted.]

ARTICLE 7

The High Contracting Parties recognise that the mouth of the Danube, called the Kilia mouth, must pass under the jurisdiction of the European Commission of the Danube.

Pending the conclusion of a general Convention for the international control of waterways, Rumania undertakes to apply to the sections of the river system of the Dniester comprised within her territory or constituting its frontiers, the régime provided in paragraph 1 of Article 332 and in Articles 333 to 338 of the Treaty of Peace with Germany of the 28th June, 1919.

ARTICLE 8

Rumania shall assume responsibility for the share of the Russian Public Debt and all other financial obligations of the Russian State allotted to Bessarabia, which shall be fixed by a special Convention between the Principal Allied and Associated Powers of the one part, and Rumania of the other part. This Convention shall be drawn up by a Commission appointed by the aforesaid Powers. Should the Commission not come to an agreement within a period of two years, the questions in dispute shall be at once submitted to the arbitration of the Council of the League of Nations.

ARTICLE 9

The High Contracting Parties will invite Russia to adhere to the present Treaty as soon as a Russian Government recognised by them shall be in existence. They reserve the right to submit to the arbitration of the Council of the League of Nations all questions which the Russian Government may raise respecting the details of this Treaty, it being understood that the frontiers defined in the present Treaty, as well as the sovereignty of Rumania over the territories therein comprised, cannot be called in question.

The same procedure shall apply to all difficulties which may subsequently arise from the carrying out of the Treaty.

III. Franco-Polish and Polish-Rumanian Agreements

(1) Political Agreement between France and Poland, signed at Paris on the 19th February, 1921 [1]

The Polish Government and the French Government, both desirous of safeguarding, by the maintenance of the Treaties which both have signed or which may in future be recognized by both Parties, the peace of Europe, the security of their territories and their common political and economic interests, have agreed as follows :

(1) In order to co-ordinate their endeavours towards peace, the two Governments undertake to consult each other on all questions of foreign

[1] Translated by the Secretariat of the League of Nations from the official French text registered with the League of Nations on the 2nd July, 1923.

policy which concern both States, so far as those questions affect the settlement of international relations in the spirit of the Treaties and in accordance with the Covenant of the League of Nations.

(2) In view of the fact that economic restoration is the essential preliminary condition of the re-establishment of international order and peace in Europe, the two Governments shall come to an understanding in this regard, with a view to concerted action and mutual support.

They will endeavour to develop their economic relations, and for this purpose will conclude special agreements and a Commercial Treaty.

(3) If, notwithstanding the sincerely peaceful views and intentions of the two Contracting States, either or both of them should be attacked without giving provocation, the two Governments shall take concerted measures for the defence of their territory and the protection of their legitimate interests, within the limits specified in the preamble.

(4) The two Governments undertake to consult each other before concluding new agreements which will affect their policy in Central and Eastern Europe.

(5) The present Agreement shall not come into force until the commercial agreements now in course of negotiation have been signed.

(2) Convention for a Defensive Alliance between the Polish Republic and the Kingdom of Rumania, signed at Bucarest on the 3rd March, 1921 [1]

Being firmly resolved to safeguard a peace which was gained at the price of so many sacrifices, the Chief of the State of the Polish Republic and His Majesty the King of Rumania have agreed to conclude a Convention for a defensive alliance . . . [and the signatories have] agreed to the following Articles :

Article 1

Poland and Rumania undertake to assist each other in the event of their being the object of an unprovoked attack on their present eastern frontiers.

Accordingly, if either State is the object of an unprovoked attack, the other shall consider itself in a state of war and shall render armed assistance.

Article 2

In order to co-ordinate their efforts to maintain peace, both Governments undertake to consult together on such questions of foreign policy as concern their relations with their eastern neighbours.

Article 3

A military Convention shall determine the manner in which either country shall render assistance to the other should the occasion arise.

This Convention shall be subject to the same conditions as the present Convention as regards duration and denunciation.

[1] Translated by the Secretariat of the League of Nations from the official French text registered with the League of Nations on the 24th October, 1921.

ARTICLE 4

If, in spite of their efforts to maintain peace, the two States are compelled to enter on a defensive war under the terms of Article 1, each undertakes not to negotiate nor to conclude an armistice or a peace without the participation of the other State.

ARTICLE 5

The duration of the present Convention shall be five years from the date of its signature, but either Government shall be at liberty to denounce it after two years, on giving the other State six months' notice.

ARTICLE 6

Neither of the High Contracting Parties shall be at liberty to conclude an alliance with a third Power without having previously obtained the assent of the other Party.

Alliances with a view to the maintenance of treaties already signed jointly by both Poland and Rumania are excepted from this provision.

Such alliances must, however, be notified.

The Polish Government hereby declares that it is acquainted with the agreements entered into by Rumania with other States with a view to upholding the Treaties of Trianon and Neuilly, which agreements may be transformed into treaties of alliance.

The Rumanian Government hereby declares that it is acquainted with the agreements entered into by Poland with the French Republic.

IV. Little Entente Treaties

(1) CONVENTION OF ALLIANCE BETWEEN THE KINGDOM OF THE SERBS, CROATS, AND SLOVENES AND THE CZECHOSLOVAK REPUBLIC, SIGNED AT BELGRADE ON THE 14TH AUGUST, 1920 [1]

Firmly resolved to maintain the Peace obtained by so many sacrifices, and provided for by the Covenant of the League of Nations, as well as the situation created by the Treaty concluded at Trianon on June 4, 1920, between the Allied and Associated Powers on the one hand, and Hungary on the other, the President of the Czechoslovak Republic and His Majesty the King of the Serbs, Croats, and Slovenes have agreed to conclude a defensive Convention . . . [and the signatories] have agreed as follows :

ARTICLE 1

In case of an unprovoked attack on the part of Hungary against one of the High Contracting Parties, the other Party agrees to assist in the defence of the Party attacked, in the manner laid down by the arrangement provided for in Article 2 of the present Convention.

[1] Translated by the Secretariat of the League of Nations from the official French text registered with the League of Nations on the 30th August, 1921. This Treaty was renewed by a Treaty of Alliance signed on the 31st August, 1922. The text of the renewal is printed in the *League of Nations Treaty Series*, vol. xiii.

ARTICLE 2

The competent Technical Authorities of the Czechoslovak Republic and the Kingdom of the Serbs, Croats, and Slovenes shall decide, by mutual agreement, upon the provisions necessary for the execution of the present Convention.

ARTICLE 3

Neither of the High Contracting Parties shall conclude an alliance with a third Power without preliminary notice to the other.

ARTICLE 4

The present Convention shall be valid for two years from the date of the exchange of ratifications. On the expiration of this period, each of the Contracting Parties shall have the option of denouncing the present Convention. It shall, however, remain in force for six months after the date of denunciation.

(2) CONVENTION OF ALLIANCE BETWEEN THE KINGDOM OF RUMANIA AND THE CZECHOSLOVAK REPUBLIC, SIGNED AT BUCAREST ON THE 23RD APRIL, 1921.[1]

Firmly resolved to maintain the peace obtained by so many sacrifices, and provided for by the Covenant of the League of Nations, as well as the situation created by the Treaty concluded at Trianon on June 4, 1920, between the Allied and Associated Powers on the one hand, and Hungary on the other,

the President of the Czechoslovak Republic and His Majesty the King of Rumania, have agreed to conclude a defensive Convention . . . [and the signatories] have agreed as follows :

ARTICLE 1

In case of an unprovoked attack on the part of Hungary against one of the High Contracting Parties, the other party agrees to assist in the defence of the party attacked, in the manner laid down by the arrangement provided for in Article 2 of the present Convention.

ARTICLE 2

The competent Technical Authorities of the Czechoslovak Republic and Rumania shall decide by mutual agreement and in a Military Convention to be concluded, upon the provisions necessary for the execution of the present Convention.

ARTICLE 3

Neither of the High Contracting Parties shall conclude an alliance with a third Power without preliminary notice to the other.

[1] Translated by the Secretariat of the League of Nations from the official French text registered with the League of Nations on the 30th August, 1921. This Treaty was renewed by a Protocol signed on the 7th May, 1923. The text of the Protocol is printed in the *League of Nations Treaty Series*, vol. xviii.

ARTICLE 4

For the purpose of co-ordinating their efforts to maintain peace, the two Governments undertake to consult together on questions of foreign policy concerning their relations with Hungary.

ARTICLE 5

The present Convention shall be valid for two years from the date of the exchange of ratifications. On the expiration of this period, each of the Contracting Parties shall have the option of denouncing the present Convention. It shall, however, remain in force for six months after the date of denunciation.

(3) CONVENTION OF ALLIANCE BETWEEN THE KINGDOM OF THE SERBS, CROATS, AND SLOVENES AND THE KINGDOM OF RUMANIA, SIGNED AT BELGRADE ON THE 7TH JUNE, 1921.[1]

Firmly resolved to maintain the peace obtained by so many sacrifices, and the situation created by the Treaty concluded at Trianon on June 4, 1920, between the Allied and Associated Powers on the one hand, and Hungary on the other, as well as the Treaty concluded at Neuilly on November 27, 1919, between the same Powers and Bulgaria,

His Majesty the King of the Serbs, Croats, and Slovenes and His Majesty the King of Rumania have agreed to conclude a defensive Convention . . . [and the signatories] have concluded the following Articles :

ARTICLE 1

In case of an unprovoked attack on the part of Hungary or of Bulgaria, or of these two Powers, against one of the two High Contracting Parties, with the object of destroying the situation created by the Treaty of Trianon or the Treaty of Neuilly, the other Party agrees to assist in the defence of the Party attacked, in the manner laid down by Article 2 of this Convention.

ARTICLE 2

The Technical Authorities of the Kingdom of the Serbs, Croats, and Slovenes and of the Kingdom of Rumania shall decide by mutual agreement, in a Military Convention to be concluded as soon as possible, upon the provisions necessary for the execution of the present Convention.

ARTICLE 3

Neither of the High Contracting Parties shall conclude an alliance with a third Power without preliminary notice to the other.

ARTICLE 4

With the object of associating their efforts to maintain peace, the two Governments bind themselves to consult together on questions of foreign policy concerning their relations with Hungary and Bulgaria.

[1] Translated from the French text printed in A. Mousset, *La Petite Entente.*

ARTICLE 5

This Convention shall be valid for two years from the exchange of ratifications. On the expiration of this period either Contracting Party shall have the option of denouncing the present Convention, which shall nevertheless remain in force for six months after the date of denunciation.

V. Washington Treaties

(1) TREATY BETWEEN THE UNITED STATES OF AMERICA, THE BRITISH EMPIRE, FRANCE, AND JAPAN RELATING TO THEIR INSULAR POSSESSIONS AND INSULAR DOMINIONS IN THE PACIFIC OCEAN, SIGNED AT WASHINGTON ON THE 13TH DECEMBER, 1921

The United States of America, the British Empire, France and Japan,

With a view to the preservation of the general peace and the maintenance of their rights in relation to their insular possessions and insular dominions in the region of the Pacific Ocean ;

Have determined to conclude a treaty to this effect and . . . [the signatories] have agreed as follows :

I

The High Contracting Parties agree as between themselves to respect their rights in relation to their insular possessions and insular dominions in the region of the Pacific Ocean.

If there should develop between any of the High Contracting Parties a controversy arising out of any Pacific question and involving their said rights which is not satisfactorily settled by diplomacy and is likely to affect the harmonious accord now happily subsisting between them, they shall invite the other High Contracting Parties to a joint conference to which the whole subject will be referred for consideration and adjustment.

II

If the said rights are threatened by the aggressive action of any other Power, the High Contracting Parties shall communicate with one another fully and frankly in order to arrive at an understanding as to the most efficient measures to be taken, jointly or separately, to meet the exigencies of the particular situation.

III

This Treaty shall remain in force for ten years from the time it shall take effect, and after the expiration of said period it shall continue to be in force subject to the right of any of the High Contracting Parties to terminate it upon twelve months' notice.

IV

This Treaty shall be ratified as soon as possible in accordance with the constitutional methods of the High Contracting Parties and shall take effect on the deposit of ratifications, which shall take place at Washington, and thereupon the agreement between Great Britain and

Japan, which was concluded at London on the 13th July, 1911, shall terminate. The Government of the United States will transmit to all the Signatory Powers a certified copy of the *procès-verbal* of the deposit of ratifications.

(2) Declaration accompanying the above Four-Power Treaty

In signing the Treaty this day between the United States of America, the British Empire, France and Japan, it is declared to be the understanding and intent of the Signatory Powers :

1. That the Treaty shall apply to the Mandated Islands in the Pacific Ocean ; provided, however, that the making of the Treaty shall not be deemed to be an assent on the part of the United States of America to the mandates and shall not preclude agreements between the United States of America and the Mandatory Powers respectively in relation to the mandated islands.

2. That the controversies to which the second paragraph of Article I refers shall not be taken to embrace questions which according to principles of international law lie exclusively within the domestic jurisdiction of the respective Powers.

(3) Treaty between the United States of America, the British Empire, France, and Japan supplementary to the Quadruple Pacific Treaty of the 13th December, 1921, signed at Washington on the 6th February, 1922

The United States of America, the British Empire, France and Japan have, through their respective Plenipotentiaries, agreed upon the following stipulations supplementary to the Quadruple Treaty signed at Washington on the 13th December, 1921 :

The term 'insular possessions and insular dominions' used in the aforesaid Treaty shall, in its application to Japan, include only Karafuto (or the southern portion of the island of Sakhalin), Formosa and the Pescadores, and the islands under the mandate of Japan.

The present agreement shall have the same force and effect as the said Treaty to which it is supplementary.

The provisions of Article IV of the aforesaid Treaty of the 13th December, 1921, relating to ratification shall be applicable to the present agreement, which in French and English shall remain deposited in the archives of the Government of the United States, and duly certified copies thereof shall be transmitted by that Government to each of the other Contracting Powers.

(4) Extracts from Treaty between the United States of America, the British Empire, France, Italy, and Japan for the Limitation of Naval Armament, signed at Washington on the 6th February, 1922

The United States of America, the British Empire, France, Italy and Japan ;

Desiring to contribute to the maintenance of the general peace, and to reduce the burdens of competition in armament ;

Have resolved, with a view to accomplishing these purposes, to conclude a treaty to limit their respective naval armament and . . . [the signatories] have agreed as follows :

CHAPTER I

General Provisions relating to the Limitation of Naval Armament

Article I

The Contracting Powers agree to limit their respective naval armament as provided in the present Treaty.

Article II

The Contracting Powers may retain respectively the capital ships which are specified in Chapter II, Part 1. On the coming into force of the present Treaty, but subject to the following provisions of this Article, all other capital ships, built or building, of the United States, the British Empire and Japan shall be disposed of as prescribed in Chapter II, Part 2.

In addition to the capital ships specified in Chapter II, Part 1, the United States may complete and retain two ships of the *West Virginia* class now under construction. On the completion of these two ships the *North Dakota* and *Delaware* shall be disposed of as prescribed in Chapter II, Part 2.

The British Empire may, in accordance with the replacement table in Chapter II, Part 3, construct two new capital ships not exceeding 35,000 tons (35,560 metric tons) standard displacement each. On the completion of the said two ships the *Thunderer*, *King George V*, *Ajax*, and *Centurion* shall be disposed of as prescribed in Chapter II, Part 2.

Article III

Subject to the provisions of Article II, the Contracting Powers shall abandon their respective capital shipbuilding programmes, and no new capital ships shall be constructed or acquired by any of the Contracting Powers except replacement tonnage which may be constructed or acquired as specified in Chapter II, Part 3.

Ships which are replaced in accordance with Chapter II, Part 3, shall be disposed of as prescribed in Part 2 of that Chapter.

Article IV

The total capital ship replacement tonnage of each of the Contracting Powers shall not exceed in standard displacement, for the United States, 525,000 tons (533,400 metric tons) ; for the British Empire, 525,000 tons (533,400 metric tons) ; for France, 175,000 tons (177,800 metric tons) ; for Italy, 175,000 tons (177,800 metric tons) ; for Japan, 315,000 tons (320,040 metric tons).

Article V

No capital ship exceeding 35,000 tons (35,560 metric tons) standard displacement shall be acquired by, or constructed by, for, or within the jurisdiction of, any of the Contracting Powers.

Article VI

No capital ship of any of the Contracting Powers shall carry a gun with a calibre in excess of 16 inches (406 millimetres).

Article VII

The total tonnage for aircraft carriers of each of the Contracting Powers shall not exceed in standard displacement, for the United States, 135,000 tons (137,160 metric tons); for the British Empire, 135,000 tons (137,160 metric tons); for France, 60,000 tons (60,960 metric tons); for Italy, 60,000 tons (60,960 metric tons); for Japan, 81,000 tons (82,296 metric tons).

Article VIII

The replacement of aircraft carriers shall be effected only as prescribed in Chapter II, Part 3, provided, however, that all aircraft carrier tonnage in existence or building on the 12th November, 1921, shall be considered experimental, and may be replaced, within the total tonnage limit prescribed in Article VII, without regard to its age.

Article IX

No aircraft carrier exceeding 27,000 tons (27,432 metric tons) standard displacement shall be acquired by, or constructed by, for, or within the jurisdiction of, any of the Contracting Powers.

However, any of the Contracting Powers may, provided that its total tonnage allowance of aircraft carriers is not thereby exceeded, build not more than two aircraft carriers, each of a tonnage of not more than 33,000 tons (33,528 metric tons) standard displacement, and in order to effect economy any of the Contracting Powers may use for this purpose any two of their ships, whether constructed or in course of construction, which would otherwise be scrapped under the provisions of Article II. The armament of any aircraft carriers exceeding 27,000 tons (27,432 metric tons) standard displacement shall be in accordance with the requirements of Article X, except that the total number of guns to be carried in case any of such guns be of a calibre exceeding 6 inches (152 millimetres), except anti-aircraft guns and guns not exceeding 5 inches (127 millimetres), shall not exceed eight.

Article X

No aircraft carrier of any of the Contracting Powers shall carry a gun with a calibre in excess of 8 inches (203 millimetres). Without prejudice to the provisions of Article IX, if the armament carried includes guns exceeding 6 inches (152 millimetres) in calibre the total number of guns carried, except anti-aircraft guns and guns not exceeding 5 inches (127 millimetres), shall not exceed ten. If alternatively the armament contains no guns exceeding 6 inches (152 millimetres) in calibre, the number of guns is not limited. In either case the number of anti-aircraft guns and of guns not exceeding 5 inches (127 millimetres) is not limited.

Article XI

No vessel of war exceeding 10,000 tons (10,160 metric tons) standard displacement, other than a capital ship or aircraft carrier, shall be acquired

by, or constructed by, for, or within the jurisdiction of, any of the Contracting Powers. Vessels not specifically built as fighting ships nor taken in time of peace under Government control for fighting purposes, which are employed on fleet duties or as troop transports or in some other way for the purpose of assisting in the prosecution of hostilities otherwise than as fighting ships, shall not be within the limitations of this Article.

Article XII

No vessel of war of any of the Contracting Powers, hereafter laid down, other than a capital ship, shall carry a gun with a calibre in excess of 8 inches (203 millimetres).

Article XIII

Except as provided in Article IX, no ship designated in the present Treaty to be scrapped may be reconverted into a vessel of war.

Article XIV

No preparations shall be made in merchant ships in time of peace for the installation of warlike armaments for the purpose of converting such ships into vessels of war, other than the necessary stiffening of decks for the mounting of guns not exceeding 6-inch (152 millimetres) calibre.

Article XV

No vessel of war constructed within the jurisdiction of any of the Contracting Powers for a non-Contracting Power shall exceed the limitations as to displacement and armament prescribed by the present Treaty for vessels of a similar type which may be constructed by or for any of the Contracting Powers; provided, however, that the displacement for aircraft carriers constructed for a non-Contracting Power shall in no case exceed 27,000 tons (27,432 metric tons) standard displacement.

Article XVI

If the construction of any vessel of war for a non-Contracting Power is undertaken within the jurisdiction of any of the Contracting Powers, such Power shall promptly inform the other Contracting Powers of the date of the signing of the contract and the date on which the keel of the ship is laid; and shall also communicate to them the particulars relating to the ship prescribed in Chapter II, Part 3, Section I (*b*), (4) and (5).

Article XVII

In the event of a Contracting Power being engaged in war, such Power shall not use as a vessel of war any vessel of war which may be under construction within its jurisdiction for any other Power, or which may have been constructed within its jurisdiction for another Power and not delivered.

Article XVIII

Each of the Contracting Powers undertakes not to dispose by gift, sale or any mode of transfer of any vessel of war in such a manner that such vessel may become a vessel of war in the Navy of any foreign Power.

Article XIX

The United States, the British Empire and Japan agree that the *status quo* at the time of the signing of the present Treaty, with regard to fortifications and naval bases, shall be maintained in their respective territories and possessions specified hereunder :—

1. The insular possessions which the United States now holds or may hereafter acquire in the Pacific Ocean, except (*a*) those adjacent to the coast of the United States, Alaska and the Panama Canal Zone, not including the Aleutian Islands, and (*b*) the Hawaiian Islands ;

2. Hong Kong and the insular possessions which the British Empire now holds or may hereafter acquire in the Pacific Ocean, east of the meridian of 110° east longitude, except (*a*) those adjacent to the coast of Canada, (*b*) the Commonwealth of Australia and its territories, and (*c*) New Zealand ;

3. The following insular territories and possessions of Japan in the Pacific Ocean, to wit : the Kurile Islands, the Bonin Islands, Amami-Oshima, the Loochoo Islands, Formosa and the Pescadores, and any insular territories or possessions in the Pacific Ocean which Japan may hereafter acquire.

The maintenance of the *status quo* under the foregoing provisions implies that no new fortifications or naval bases shall be established in the territories and possessions specified ; that no measures shall be taken to increase the existing naval facilities for the repair and maintenance of naval forces, and that no increase shall be made in the coast defences of the territories and possessions above specified. This restriction, however, does not preclude such repair and replacement of worn-out weapons and equipment as is customary in naval and military establishments in time of peace.

Article XX

The rules for determining tonnage displacement prescribed in Chapter II, Part 4, shall apply to the ships of each of the Contracting Powers.

[Chapter II, which contains rules relating to the execution of the Treaty and definitions of terms, is omitted.]

CHAPTER III

Miscellaneous Provisions

Article XXI

If during the term of the present Treaty the requirements of the national security of any Contracting Power in respect of naval defence are, in the opinion of that Power, materially affected by any change of circumstances, the Contracting Powers will, at the request of such Power, meet in conference with a view to the reconsideration of the provisions of the Treaty and its amendment by mutual agreement.

In view of possible technical and scientific developments, the United States, after consultation with the other Contracting Powers, shall arrange for a conference of all the Contracting Powers which shall convene as

soon as possible after the expiration of eight years from the coming into force of the present Treaty to consider what changes, if any, in the Treaty may be necessary to meet such developments.

Article XXII

Whenever any Contracting Power shall become engaged in a war which in its opinion affects the naval defence of its national security, such Power may after notice to the other Contracting Powers suspend for the period of hostilities its obligations under the present Treaty other than those under Articles XIII and XVII, provided that such Power shall notify the other Contracting Powers that the emergency is of such a character as to require such suspension.

The remaining Contracting Powers shall in such case consult together with a view to agreement as to what temporary modifications, if any, should be made in the Treaty as between themselves. Should such consultation not produce agreement, duly made in accordance with the constitutional methods of the respective Powers, any one of said Contracting Powers may, by giving notice to the other Contracting Powers, suspend for the period of hostilities its obligations under the present Treaty, other than those under Articles XIII and XVII.

On the cessation of hostilities the Contracting Powers will meet in conference to consider what modifications, if any, should be made in the provisions of the present Treaty.

Article XXIII

The present Treaty shall remain in force until the 31st December, 1936, and in case none of the Contracting Powers shall have given notice two years before that date of its intention to terminate the Treaty, it shall continue in force until the expiration of two years from the date on which notice of termination shall be given by one of the Contracting Powers, whereupon the Treaty shall terminate as regards all the Contracting Powers. Such notice shall be communicated in writing to the Government of the United States, which shall immediately transmit a certified copy of the notification to the other Powers and inform them of the date on which it was received. The notice shall be deemed to have been given and shall take effect on that date. In the event of notice of termination being given by the Government of the United States, such notice shall be given to the diplomatic representatives at Washington of the other Contracting Powers, and the notice shall be deemed to have been given and shall take effect on the date of the communication made to the said diplomatic representatives.

Within one year of the date on which a notice of termination by any Power has taken effect, all the Contracting Powers shall meet in conference.

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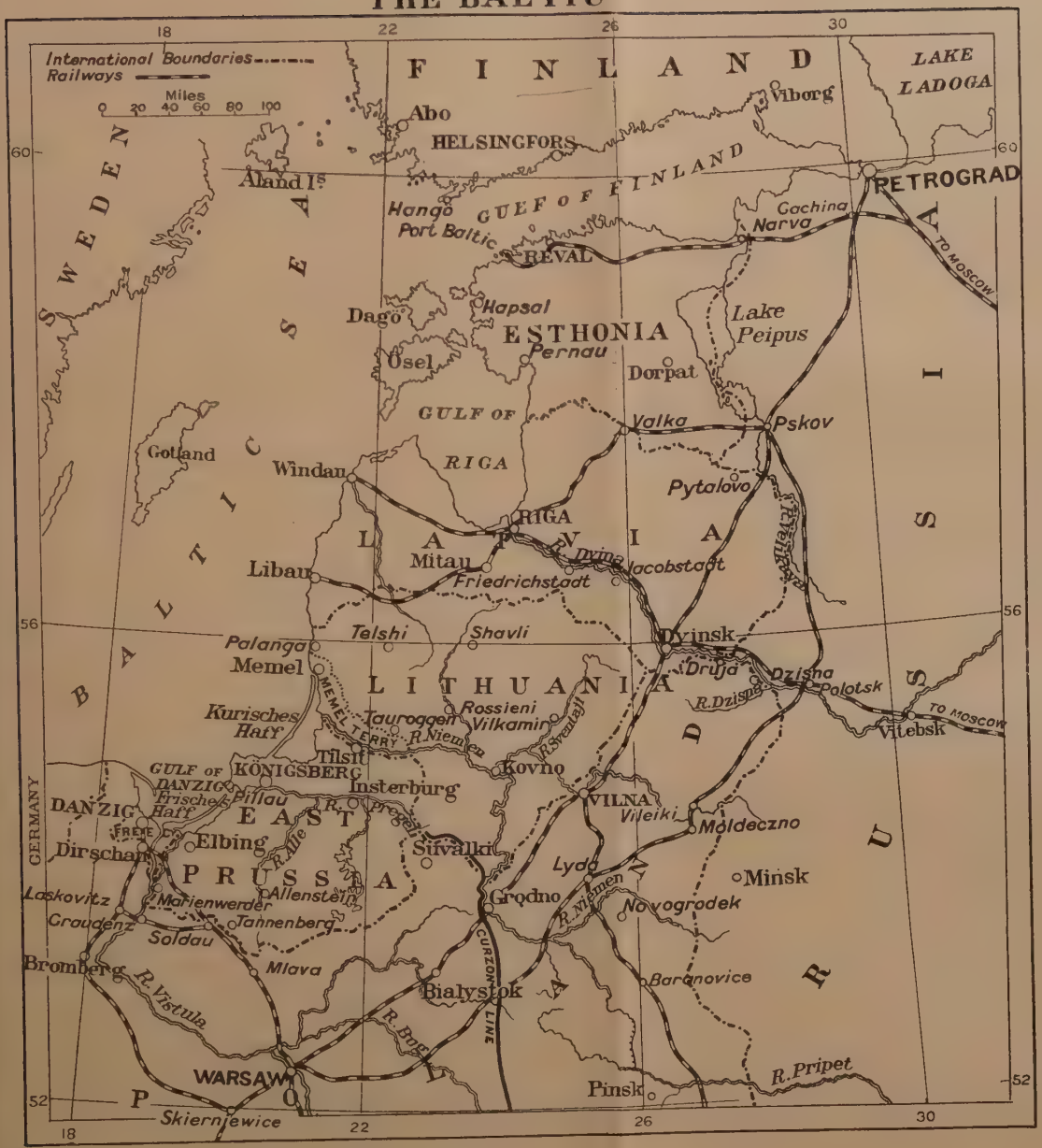
THE RHINELAND

THE BALTIC

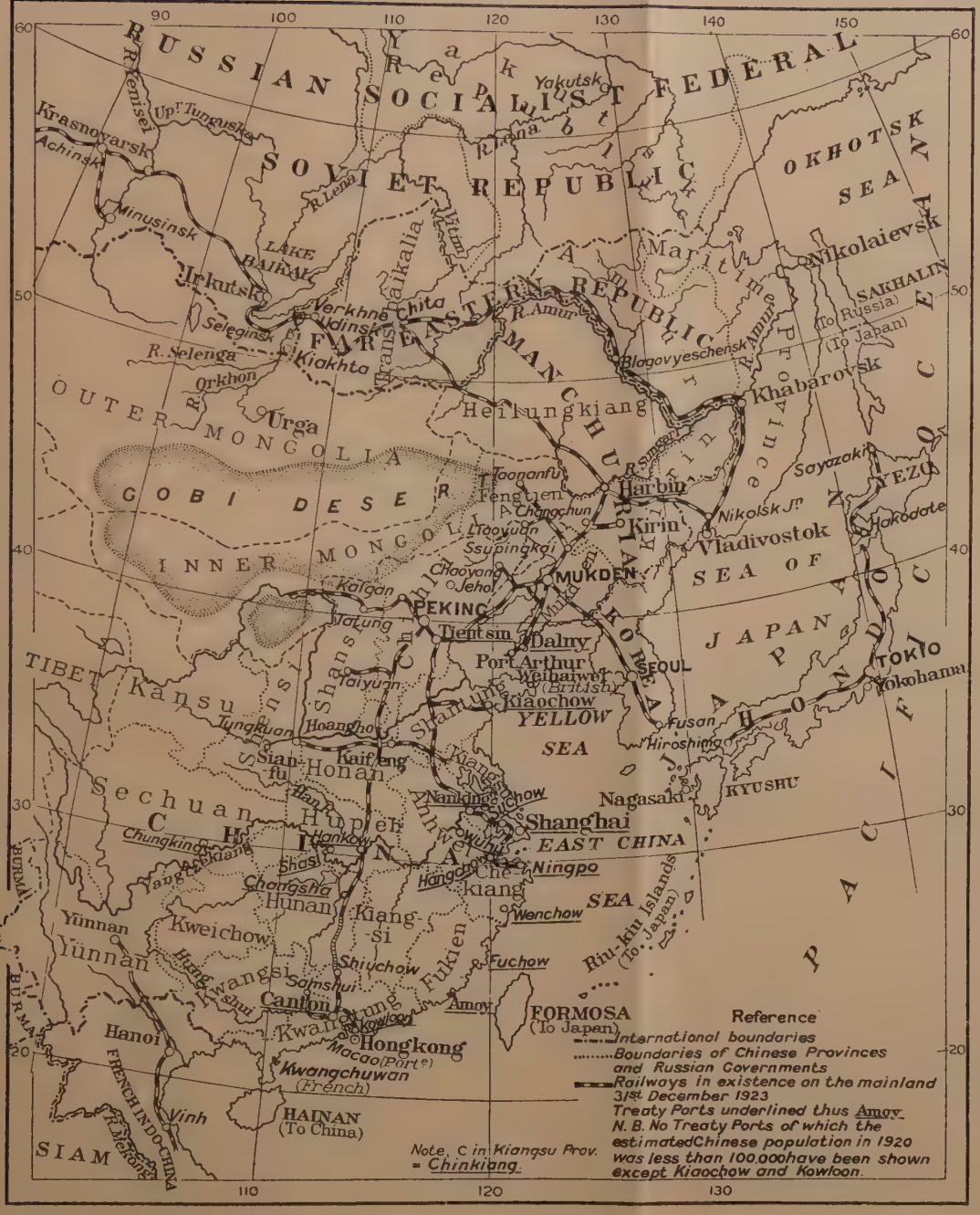

International Boundaries
Railways
Miles
0 20 40 60 80 100
18
22
26
30
60
56
52
F I N L A N D
LAKE LADOGA
Viborg
Abo
HELSINGFORS
Åland Is.
GULF OF FINLAND
PETROGRAD
Gachina
Narva
TO MOSCOW
Hango
Port Baltic
REVAL
SWEDEN
BALTIC SEA
Dago
Hapsal
ESTHONIA
Lake Peipus
Pernau
Ösel
Dorpat
GULF OF RIGA
Valka
Pskov
Gotland
Windau
Pytalovo
RIGA
L A T V I A
Libau
Mitau
Dvina
Jacobstadt
Friedrichstadt
Telshi
Shavli
Dvinsk
Palanga
Memel
L I T H U A N I A
Druja
Dzisna
Polotsk
R. Dzisna
Kurisches Haff
MEMEL TERR.
Tauroggen
Rossieni
Vilkamir
R. Niemen
R. Sventa
TO MOSCOW
Vitebsk
Tilsit
GULF OF DANZIG
KÖNIGSBERG
Kovno
Insterburg
Frische Haff
Pillau
R. Pregel
VILNA
Vileiki
Molodeczno
DANZIG
FREE
EAST PRUSSIA
Elbing
Dirschau
R. Vistula
Stivalki
Lyda
Minsk
Marienwerder
Allenstein
Grodno
R. Memel
Novogrodek
Laskovitz
Graudenz
Tannenberg
Soldau
Bromberg
Mlava
Baranovice
Bialystok
CURZON LINE
R. Bug
WARSAW
Pinsk
R. Pripet
Skiernievice
GERMANY
RUSSIA

THE DANUBE

GERMANY
Königshütte
Gleiwitz
Kattowice
Cracow
MORAVIA
CZECHOSLOVAKIA
Teschen
TESCHEN
Przemysl
LEMBERG
POLAND
BRNO (BRÜNN)
Austerlitz
R. Waag
R. Dniester
UKRAINE
Uman
Kamenets Podolski
R. Bug
R. Danube
Schemnitz
Košice (Kaschau)
Munkacs
CARPATHIAN MTS
Bratislava (Pressburg)
VIENNA
Czernowitz
BUKOVINA
BESSARABIA
Miskolcz
Halmel
R. Szamos
Balta
Ananyev
Sopron (Ödenburg)
Raab
Erlau
BUDAPEST
Debreczen
R. Pruth
Dubossari
HUNGARY
Jassy
Kishinev
Tiraspol
Lake Balaton
Kecskemet
Oradia Mare (Grosswardein)
Chuj (Klausenburg)
MOLDAVIA
ODESSA
R. Drave
Hodmezo-Vasarhely
TRANSYLVANIA
Szeged
Kelebia
Pecs
Arad
RUMANIA
Akkerman
Zagreb (Agram)
Subotica
R. Maros
Alba Julia (Karlsburg)
Tekuchiu
Sibiu (Hermannstadt)
Temisoara (Temesvar)
Brasov (Kronstadt)
Focsani
Galatz
Reni
Ismail
Kilia
CROATIA
SLAVONIA
R. Save
TRANSYLVANIAN ALPS
Braila
Sulina
Mths of the Danube
Semlin
BELGRADE
Orsova
Iron Gates
Ploesci
BOSNIA
R. Drina
WALACHIA
R. Jalomitza
BUCHAREST
YUGOSLAVIA
R. Morava
Craiova
R. Olt
Constantsa
Silistria
R. Timok
VIDIN
R. DANUBE
Giurgevo
Ruschuk
SERBIA
DOBRUJA
BLACK SEA
BULGARIA
VARNA
Miles
0 20 40 60 80 100
Reference
International Frontiers on the 1st August 1914.
International Frontiers on the 31st December 1923.
Boundary between Austria and Hungary before the transfer of Burgenland.
Frontier between Russia and Moldavia (afterwards Rumania) 1856 to 1878.

THE CAUCASUS

THE FAR EAST


RUSSIAN SOCIALIST FEDERAL SOVIET REPUBLIC
Yakutsk Republic
FAR EASTERN REPUBLIC
MANCHURIA
OUTER MONGOLIA
INNER MONGOLIA
GOBI DESERT
TIBET
CHINA
JAPAN
SEA OF JAPAN
OKHOTSK SEA
PACIFIC OCEAN
YELLOW SEA
EAST CHINA SEA
Riu-kiu Islands (To Japan)
Krasnoyarsk
Achinsk
Minusinsk
Irkutsk
LAKE BAIKAL
Verkhne Udinsk
Chita
Seleginsk
Kiakhta
R. Selenga
Orkhon
Urga
Maritime Province
Nikolaievsk
SAKHALIN (To Russia) (To Japan)
Blagovyeschensk
Khabarovsk
Sayazaki
YEZO
Hakodate
Vladivostok
Nikolsk Jn.
Harbin
Changchun
Kirin
Mukden
Fengtien
Ssupingkai
Chaoyang
Jehol
Kalgan
Peking
Tientsin
Dalny
Port Arthur
Weihaiwei (British)
Kiaochow
Seoul
Fusan
Hiroshima
Nagasaki
KYUSHU
Tokio
Yokohama
Taiyuan
Tungkuan
Hoangho
Sian-fu
Kaifeng
Honan
Nanking
Shanghai
Hankow
Wuhu
Ningpo
Hangchow
Chekiang
Wenchow
Fuchow
Amoy
FORMOSA (To Japan)
Changsha
Hunan
Kiang-si
Fukien
Kweichow
Yunnan
Shiuchow
Samshui
Canton
Kowloon
Hongkong
Macao (Portg.)
Kwangchuwan (French)
HAINAN (To China)
Hanoi
Vinh
SIAM
BURMA
FRENCH INDO-CHINA
R. Mekong
Reference
International boundaries
Boundaries of Chinese Provinces and Russian Governments
Railways in existence on the mainland 31st December 1923
Treaty Ports underlined thus Amoy
N. B. No Treaty Ports of which the estimated Chinese population in 1920 was less than 100,000 have been shown except Kiaochow and Kowloon.
Note, C in Kiangsu Prov. = Chinkiang.
90 100 110 120 130 140 150
60 50 40 30 20
0 Miles 600

THE WORLD

Persons per square mile
Over 512
128 to 512
26 to 128
2 to 26
Under 2
Abbreviations
B. Basra
F. B. Franco-British
G. Gibraltar
G. B. Great Britain
H. Holland
N. Z. New Zealand
P. T. Portuguese Timor
P. A. Port Arthur
S. Suez
S! Singapore
U. Uganda
U. S United States.
ARCTIC OCEAN
ATLANTIC OCEAN
PACIFIC OCEAN
INDIAN OCEAN
ANTARCTIC OCEAN
EUROPE
ASIA
AUSTRALIA
AFRICA
SOUTH AMERICA
NORTH AMERICA
CANADA
UNITED STATES
CHINA
INDIA
BRAZIL
JAPANESE MANDATE
TO UNITED STATES
DUTCH EAST INDIES
BRITISH EMPIRE
FRENCH
NEW ZEALAND
Alaska
Aleutian Is
Vancouver I.
WASHINGTON
Seattle
New York
Washington
San Francisco
Azores
Cape Verde Is
Haiti
San Domingo
Jamaica
Virgin Is (To U.S.)
Panama Canal
Galapagos Is
Marquesas
Society Archipelago
Pitcairn I.
Easter I.
Valparaiso
Rio Janeiro
Buenos Aires
Cape Horn
Vladivostok
Nagasaki
Yokohama
Shanghai
Formosa
Hong Kong
Canton
Calcutta
Bombay
Aden
Colombo
Seychelles
Zanzibar
Mauritius
Madagascar
Natal
Durban
Cape Town
Java
Sumatra
Malaya
Timor
Philippine Is (To U.S.)
Guam
Yap
Marianas or Ladrones Is
Caroline Is
Marshall Is
Wake I.
Midway Is
Honolulu
Hawaii
Sandwich Is
Cure I.
Baker I. (To U.S.)
Howland I.
Phoenix Is
Fanning I.
Washington I.
Christmas I.
Jarvis I.
Malden I.
Starbuck I.
Manahiki
Samoa Is
Tutuila (To U.S.)
Tonga
Cook Is
Australs
Tahiti
Low Archipelago
Solomon Is
Ellice Is
Takelau Is
Gilbert Is
Nauru
Australian Mandate
Mandated to N.Z.
Mandated to Japan
Fiji Is (To U.S.)
New Caledonia (To France)
Loyalty Is (To France)
New Hebrides (Condominium)
To Australia
Brisbane
Sydney
Melbourne
Tasmania
Auckland
Norfolk I.
Lord Howe I.
Kermadec I. (To New Zealand)
NEW ZEALAND
Chatham Is
Ducie I. (To G.B.)
Orange Free State
Basutoland
Swaziland
Portuguese East Africa
Portuguese West Africa
Br. Kenya
Uganda
Belgian Congo
Liberia
Sierra Leone
Gambia
Gibraltar
Malta
Azores
Cape Verde Is
Ascension I.
St. Helena
Tristan da Cunha
Falkland Is
South Georgia
South Orkney Is
South Shetland Is
Graham Land
Victoria Land
Ross Sea
Ross Ice Barrier
Wilkes Land
Adelie Land
Enderby Land
Kemp Land
Queen Mary Land
Princess Elizabeth Land
Coats Land
Weddell Sea
Graham Land
Palmer Archipelago
Alexander I Land
Ellsworth Land
Marie Byrd Land
Edward VII Land
Scott I.
Balleny Is
Macquarie I.
Auckland Is
Campbell I.
Antipodes Is
Bounty Is
Chatham Is
Kermadec Is
Norfolk I.
Lord Howe I.
Loyalty Is
New Caledonia
New Hebrides
Solomon Is
Bismarck Archipelago
Admiralty Is
Caroline Is
Marshall Is
Gilbert Is
Ellice Is
Phoenix Is
Line Is
Tuamotu Archipelago
Society Archipelago
Marquesas Is
Tuamotu Archipelago
Pitcairn I.
Easter I.
Juan Fernandez Is
Galapagos Is
Cocos I.
Malpelo I.
Gorgona I.
Gorgona
Cocos I.
Malpelo I.
Galapagos Is
Juan Fernandez Is
Easter I.
Pitcairn I.
Tuamotu Archipelago
Society Archipelago
Marquesas Is
Tuamotu Archipelago
Line Is
Phoenix Is
Ellice Is
Gilbert Is
Marshall Is
Caroline Is
Admiralty Is
Bismarck Archipelago
Solomon Is
New Hebrides
New Caledonia
Loyalty Is
Norfolk I.
Lord Howe I.
Kermadec Is
Chatham Is
Bounty Is
Antipodes Is
Auckland Is
Campbell I.
Macquarie I.
Balleny Is
Scott I.
Edward VII Land
Marie Byrd Land
Ellsworth Land
Alexander I Land
Palmer Archipelago
Graham Land
Weddell Sea
Coats Land
Princess Elizabeth Land
Queen Mary Land
Kemp Land
Enderby Land
Adelie Land
Wilkes Land
Ross Ice Barrier
Ross Sea
Victoria Land
Graham Land
South Shetland Is
South Orkney Is
South Georgia
Falkland Is
Tristan da Cunha
St. Helena
Ascension I.
Cape Verde Is
Azores
Gibraltar
Malta
Liberia
Sierra Leone
Gambia
Br. Kenya
Uganda
Belgian Congo
Portuguese West Africa
Portuguese East Africa
Swaziland
Basutoland
Orange Free State
Natal
Durban
Cape Town
Madagascar
Mauritius
Seychelles
Zanzibar
Aden
Bombay
Colombo
Calcutta
Canton
Hong Kong
Formosa
Shanghai
Nagasaki
Yokohama
Vladivostok
Wilhelmina
Sakhalin
Kurile Is
Aleutian Is
Alaska
British Columbia
Seattle
Vancouver I.
WASHINGTON